Preliminary Placement Document
Subject to Completion and not for circulation
Private and confidential
***Serial Number*________**

This Preliminary Placement Document relates to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and no offer is being made through this Preliminary Placement Document to the public or any other categories of investors other than the Eligible QIBs. This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to buy securities in any jurisdiction where such offer or sale or subscription is not permitted. The information in this Preliminary Placement Document is not complete and may be changed.

SHAKTI
PUMPING LIFE

Shakti Pumps (India) Limited ("**Our Company**" or "**Issuer**") was originally incorporated as M/s. Shakti Electrical Industries pursuant to a deed of partnership dated November 15, 1982 executed at Pithampur, Madhya Pradesh under the Indian Partnership Act, 1932. Subsequently, the firm was converted into a public limited company in the name and style 'Shakti Pumps (India) Limited' under the Companies Act, 1956, pursuant to a certificate of incorporation granted by the Registrar of the Companies, Madhya Pradesh situated at Gwalior ("**RoC**") on April 21, 1995. Our Company received a certificate for commencement of business on June 14, 1995, pursuant to the provisions of the Companies Act, 1956. For further details, see "*Organisational Structure of our Company*" and "*General Information*" on pages 129 and 313, respectively.

Corporate Identity Number: L29120MP1995PLC009327
Registered and Corporate Office: Plot No. 401, 402 & 413, Sector 3, Industrial Area, Pithampur, Dhar, Madhya Pradesh - 454774
Contact Person: Ravi Patidar, Company Secretary and Compliance Officer; **Telephone:** +91 7292 410500; **Email**: cs@shaktipumpsindia.com; **Website:** www.shaktipumps.com

Issue of up to [●] equity shares of face value of ₹10 each of our Company (the "**Equity Shares**") at a price of ₹[●] per Equity Share, including a premium of ₹[●] per Equity Share (the "**Issue Price**"), aggregating to ₹[●] million (the "**Issue**"). For further details, see "*Summary of the Issue*" on page 31.

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS"), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT, 2013"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED.

The Equity Shares of our Company are listed on the National Stock Exchange of India Limited (the "**NSE**") and the BSE Limited (the "**BSE**" and together with NSE, the "**Stock Exchanges**"). The closing prices of the Equity Shares on the NSE and the BSE as on March 18, 2024 were ₹1,343.60 and ₹1,345.60 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**") for listing of the Equity Shares to be issued pursuant to this Issue, from BSE and NSE, each dated March 19, 2024. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT TO ELIGIBLE QIBs (AS DEFINED HEREINAFTER) IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS, SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND OTHER RULES MADE THEREUNDER. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED TO ONLY SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN THE SEBI ICDR REGULATIONS. YOU ARE NOT AUTHORIZED TO AND MAY NOT (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS, THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENT IN EQUITY SHARES INVOLVES A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" ON PAGE 40 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONDUCT ITS OWN DUE DILIGENCE ON US AND THE EQUITY SHARES AND CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND/OR THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT OWN ADVISORS.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter) has been delivered to the Stock Exchanges and a copy of the Placement Document (which will include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the RoC, within the stipulated period as required under the Companies Act, 2013 and PAS Rules, as amended. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges or any other listing or regulatory authority and is intended only for use by Eligible QIBs (as defined hereinafter). This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and this Issue will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of the Equity Shares to be issued pursuant to this Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see "*Issue Procedure*" on page 136. This Preliminary Placement Document and the Placement Document relate to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and no offer is being made to the public or any other class of investors. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs to whom this Preliminary Placement Document is specifically addressed, and persons retained by such Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The information on the websites of our Company, Subsidiaries, or any other website directly or indirectly linked to the websites of our Company, Subsidiaries, or the website of the Book Running Lead Manager (as defined hereinafter) or any of its respective affiliates, does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**U.S. Securities Act**") or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described under the sections *"Selling Restrictions"* and *"Transfer Restrictions and Purchaser Representations"* on pages 151 and 152, respectively.

This Preliminary Placement Document is dated March 19, 2024.

BOOK RUNNING LEAD MANAGER
EY Building a better working world
Ernst & Young Merchant Banking Services LLP

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company and its Subsidiaries and the Equity Shares which our Company considers material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company, its Subsidiaries and the Equity Shares are, in all material respects, true and accurate and are not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Company, its Subsidiaries and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to us. There are no other facts in relation to our Company, its Subsidiaries and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Furthermore, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Preliminary Placement Document is provided as of the date of this Preliminary Placement Document (or such other date as indicated herein) and neither our Company nor the BRLM *(as defined hereinafter)* have any obligation to update such information to a later date.

Ernst & Young Merchant Banking Services LLP (the "**Book Running Lead Manager**" or the "**BRLM**") has made reasonable enquires but has not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the BRLM nor any of its shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLM or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information (financial, legal or otherwise) supplied in connection with the Issue of the Equity Shares or the distribution of this Preliminary Placement Document. Each person receiving this Preliminary Placement Document acknowledges that such person has neither relied on the BRLM nor any of its shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

This Preliminary Placement Document is being furnished on a confidential basis solely for the purpose of enabling prospective Eligible QIBs to consider subscribing for the particular securities described herein. Distribution of this Preliminary Placement Document to any person other than the Eligible QIBs, and those persons, if any, retained to advise such investor with respect thereto, is unauthorised, and any disclosure of its contents, without prior written consent of our Company, is prohibited. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any offering material in connection with the Equity Shares.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by, or on behalf of the BRLM. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares offered in the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including SEBI, the United States Securities and Exchange Commission ("SEC"), any other federal or state authorities in the United States or the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act") or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold outside the United States

in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. Subscribers and purchasers of the Equity Shares will be deemed to make the representations, warranties, acknowledgements and agreements set forth in "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 5**,** 151 **and** 152, **respectively, of this Preliminary Placement Document.**

The distribution of this Preliminary Placement Document and the issue of the Equity Shares in certain jurisdictions may be restricted by law. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company or the BRLM which would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction other than India where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any Issue materials in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction that would require registration of the Equity Shares in such country or jurisdiction. For a description of the restrictions applicable to the offer and sale of the Equity Shares in this Issue in certain jurisdictions, see sections entitled "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 151 and 152, respectively.

In making an investment decision, investors must rely on their own examination of our Company, the Equity Shares and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Preliminary Placement Document as legal, business, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the BRLM are making any representation to any offeree or subscriber of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or subscriber under applicable laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial advisor and/or legal advisor.

Each Bidder (as defined in hereinafter) in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under Indian laws, including Chapter VI of the SEBI ICDR Regulations and Section 42 (read with Rule 14 of the PAS Rules) and other applicable provisions of the Companies Act, 2013, and is not prohibited by SEBI or any other regulatory authority from buying, selling or dealing in securities including the Equity Shares or otherwise accessing the capital markets in India. Each Bidder of the Equity Shares in this Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares. This Preliminary Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents and disclosures included in the section titled "*Risk Factors*" on page 40.

Our Company and the Book Running Lead Manager are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Placement Document. Furthermore, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Regulations and the QIB shall be solely responsible for compliance with the provisions of the Takeover Regulations, SEBI Insider Trading Regulations and other applicable laws, rules, regulations, guidelines and circulars.

The Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

The information on our Company's website at www.shaktipumps.com, the websites of any of its Subsidiaries or any website directly or indirectly linked to our Company's website or the website of each of the BRLM, their respective associates or affiliates, does not constitute or form part of this Preliminary Placement Document. Prospective investors should not rely on any such information contained in, or available through, any such websites.

REPRESENTATIONS BY INVESTORS

All references to "you" and "your" in this section are to the prospective investors in the Issue. By Bidding for and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed to contents set forth in "*Notice to Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representation*" on pages 3, 151 and 152, respectively and have represented, warranted and acknowledged to and agreed to our Company and the Book Running Lead Manager, as follows:

1. Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company which is not set forth in this Preliminary Placement Document;

2. You are a "Qualified Institutional Buyer" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013, to the extent applicable, and all other applicable laws; and (ii) comply with all requirements under applicable law, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;

3. You are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India;

4. If you are not a resident of India, but are an Eligible QIB, (i) you are a foreign portfolio investor, and you confirm that you are an Eligible FPI as defined in this Preliminary Placement Document, you have a valid and existing registration with SEBI under the applicable laws in India and can participate in the Issue only under applicable laws, including the FEMA Rules, or (ii) a multilateral or bilateral development financial institution. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws. You have not been prohibited by SEBI, RBI or any other regulatory authority, from buying, selling or dealing in securities including to the Equity Shares or otherwise accessing the capital markets. You confirm that you are not a FVCI;

5. You are eligible to invest in and hold the Equity Shares of our Company in accordance with the FDI Policy and FEMA Rules, read along with the press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the related amendments to the FEMA Rules. You confirm that neither is your investment as an entity from a country which shares a land border with India nor is the beneficial owner of your investment situated in or is a citizen of such country (in each which case, investment can only be through the Government approval route);

6. You are aware that in terms of the SEBI FPI Regulations and the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Furthermore, the aggregate limit of all FPIs investments, is up to 100%, being the sectoral cap applicable to the sector in which our Company operates. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations;

7. You will provide the information as required under the Companies Act, 2013, the PAS Rules and applicable SEBI ICDR Regulations for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number and bank account details and such other details

as may be prescribed or otherwise required even after the closure of the Issue;

8. If you are Allotted Equity Shares pursuant to the Issue, you shall not sell the Equity Shares so acquired, for a period of one year from the date of Allotment (hereinafter defined), except on the Stock Exchanges. Please note additional requirements or requirements apply if you are in certain other jurisdiction. For further details, see "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 151 and 152, respectively;

9. You are aware that this Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors other than Eligible QIBs. This Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4) has not been reviewed, verified or affirmed by SEBI, the RoC, the Stock Exchanges or any other regulatory or listing authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document is filed and the Placement Document shall be filed with the Stock Exchanges for record purposes only and be displayed on the websites of our Company and the Stock Exchanges;

10. You are entitled to subscribe to and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you and that you have fully observed such laws and you have all necessary capacity and have obtained all necessary consents and authorities, as may be required and complied with and shall comply with all necessary formalities to enable you to participate in the Issue and to perform your obligations in relation thereto (including without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

11. You are aware that neither our Company, nor the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue. Neither the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates has any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

12. All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Preliminary Placement Document. Neither our Company, nor the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

13. You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act, 2013;

14. You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank pari passu in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared;

15. You are aware that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category of investors other than the Eligible QIBs and the Allotment shall be on a discretionary basis at the discretion of our Company in consultation with the Book Running Lead Manager;

16. You have made, or been deemed to have made, as applicable, the representations, warranties,

acknowledgments and undertakings as set out under "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 151 and 152, respectively and you warrant that you will comply with such representations, warranties, acknowledgments and undertakings;

17. You are aware that in terms of the requirements of the Companies Act, 2013 upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document, as applicable. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Manager;

18. You have been provided a serially numbered copy of this Preliminary Placement Document, and have read it in its entirety, including the "*Risk Factors*" on page 40;

19. If you are outside the United States, you are purchasing the Equity Shares in an "offshore transaction" within the meaning of Regulation S of the U.S. Securities Act and in compliance with laws of all jurisdictions applicable to you;

20. In making your investment decision, you have (i) relied on your own examination of our Company and its Subsidiaries and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of our Company, its Subsidiaries and the Equity Shares and the terms of the Issue based on such information as is publicly available, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, the effects of local laws (including tax laws), (iv) relied solely on the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

21. Neither the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, has provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including the Issue and the use of proceeds from the Equity Shares). You will obtain your own independent tax advice and will not rely on the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from sale of the Equity Shares). You waive, and agree not to assert any claim against, either of the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

22. You are a sophisticated investor and have such knowledge and experience in financial business and investment matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares and you and any managed accounts for which you are subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in your or their circumstances or any accounts for which you are subscribing, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute;

23. If you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorized in writing, by each such managed account to acquire the Equity Shares for each managed account and make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to 'you' to include such accounts;

24. You are not a 'promoter' of our Company (as defined under the SEBI ICDR Regulations or the Companies Act, 2013), and are not a person related to the Promoters (as defined hereinafter), either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent any Promoters or members of the Promoter Group (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

25. You have no rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoters);

26. You are eligible to Bid for and hold Equity Shares so Allotted together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the levels permissible as per any applicable law;

27. Your aggregate holding, together with other Eligible QIBs in the Issue that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size (as defined hereinafter). For the purposes of this representation:

    (a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and

    (b) 'Control' shall have the same meaning as is assigned to it under the SEBI Takeover Regulations.

28. You are aware that (i) applications for in-principle approval, in terms of Regulation 28 of the SEBI Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchanges, were made and approval has been received from each of the Stock Exchanges, and (ii) final applications will be made for obtaining listing and trading approvals from the Stock Exchanges, and that there can be no assurance that such approvals will be obtained on time or at all. Neither our Company nor the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;

29. You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

30. You are aware that in terms of the requirements of the Companies Act, 2013 upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Manager;

31. You agree in terms of Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act, 2013;

32. You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

33. You are aware that if you, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted 5% or more of the Equity Shares in this Issue, our Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures being made by our Company;

34. You are aware and understand that the Book Running Lead Manager have entered into a Placement Agreement with our Company, whereby the Book Running Lead Manager have, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use their reasonable efforts to seek to procure subscription for the Equity Shares on the terms and conditions set out therein;

35. The contents of this Preliminary Placement Document are exclusively the responsibility of our Company and that neither the Book Running Lead Manager nor any person acting on its or their behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or

statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Book Running Lead Manager or our Company or any other person and neither the Book Running Lead Manager nor our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, and the Book Running Lead Manager and their respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

36. Neither the Book Running Lead Manager nor any of their respective affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;

37. You acknowledge that (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investments matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares;

38. You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and the Companies Act, 2013;

39. Either (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents with regard to our Company or this Issue ("**Company Presentations**"); or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Manager may not have the knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such meetings or presentations included any material misstatements or omissions, and, accordingly you acknowledge that Book Running Lead Manager have advised you not to rely in any way on any such information that was provided to you at such meetings or presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available;

40. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue. You agree to indemnify and hold our Company and the Book Running Lead Manager and their respective affiliates and their respective directors, officers, employees and controlling persons harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

41. You acknowledge that our Company, the Book Running Lead Manager, their respective affiliates, directors, officers, employees and controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Manager on their own behalf and on behalf of our Company, and such representations, warranties, acknowledgements and undertakings are irrevocable;

42. You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Mumbai, India shall have sole and exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary

Placement Document and the Placement Document;

43. The Bid made by you would not result in triggering a tender offer under the SEBI Takeover Regulations; and;

44. You have no right to withdraw your Application Form or revise your Bid downwards after the Issue Closing Date (as defined hereinafter).

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines, and approvals in terms of Regulation 21 of the SEBI FPI Regulations and the SEBI circular dated November 5, 2019 on operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), FPIs, including the affiliates of the Book Running Lead Manager, who are registered as Category I FPIs can issue, subscribe and deal in offshore derivative instruments (as defined under the SEBI FPI Regulations, i.e., as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) (all such offshore derivative instruments are referred to herein as "**P-Notes**") and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes, provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned Category I FPIs may receive compensation from the purchasers of such P-Notes. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs, subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs or to persons eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been, and are not being offered, or sold pursuant to this Preliminary Placement Document and the Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including, without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or more of our post-Issue Equity Share capital on a fully diluted basis. SEBI has issued the FPI Operational Guidelines to facilitate implementation of the SEBI FPI Regulations. In terms of the FPI Operational Guidelines, the above-mentioned restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. Furthermore, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company. Furthermore, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, read with the FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy and FEMA rules. These investment restrictions shall also apply to subscribers of P-Notes.

Affiliates of the BRLM which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by and are the sole obligations of third parties that are unrelated to our Company. Our Company, and the BRLM do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLM and does not constitute any obligations of or claims on the BRLM.

Bidders interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes, or any disclosure related thereto. Bidders are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

Please also see "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 151 and 152, respectively.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

a. warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document;

b. warrant that the Equity Shares to be issued pursuant to the Issue will be listed or will continue to be listed on the Stock Exchanges; or

c. take any responsibility for the financial or other soundness of our Company, its Promoters, its management or any scheme or project of our Company,

and it should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/ acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER FINANCIAL INFORMATION

Certain Conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to “you”, “your”, “offeree”, “purchaser”, “subscriber”, “recipient”, “investors”, “prospective investors” and “potential investor” are to the Eligible QIBs and references to the “Issuer”, “Shakti”, “Shakti Pumps” “the Company”, “our Company” refers to Shakti Pumps (India) Limited and references to “we”, “us”, or “our” are to our Company together with its Subsidiaries on a consolidated basis.

Currency and units of presentation

Unless otherwise specified or the context otherwise requires, all references in this Preliminary Placement Document to (i) the ‘US’ or ‘U.S.’ or the ‘United States’ or the ‘U.S.A’ are to the United States of America and its territories and possessions; (ii) ‘India’ are to the Republic of India and its territories and possessions; and (iii) the ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, Central or State, as applicable.

In this Preliminary Placement Document, references to ‘INR’, ‘₹’, ‘Rs.’, ‘Indian Rupees’ and ‘Rupees’ are to the legal currency of India and references to ‘USD’, ‘U.S. Dollars’ and ‘US$’ are to the legal currency of the United States.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. In this Preliminary Placement Document, references to “lakh” represents “100,000”, “million” represents “1,000,000”, “crore” represents “10,000,000”, and “billion” represents “1,000,000,000”.

Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies between the totals and the sum of the amounts listed are due to rounding off adjustments. All figures in decimals have been rounded off to the second decimal.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Our Company reports its financial statements in Indian Rupees.

Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Page Numbers

Unless otherwise stated, all references to page numbers in this Preliminary Placement Document are to page numbers of this Preliminary Placement Document.

Financial and Other Information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise. The terms “Fiscal”, “Financial Year”, “Fiscals” or “Fiscal Year”, refer to the 12-month period ending March 31 of that particular year (as the case may be) and references to a particular ‘year’ are to the calendar year ending on December 31 of that year.

As required under the applicable regulations, and for the convenience of prospective investors, we have included in this Preliminary Placement Document, the audited consolidated financial statements of our Company as at and for the years ended March 31, 2023, March 31, 2022, and March 31, 2021, comprising of the consolidated balance sheet as at March 31, 2023, March 31, 2022, and March 31, 2021, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 and notes to such consolidated financial statements, including a summary of significant accounting policies and other explanatory information, prepared by the management in accordance with Ind AS and as prescribed under section 133 of the Companies Act read with the Companies (Indian Accounting Standards) rules 2015, as amended, and other accounting principles generally accepted in India (collectively, the “**Audited Consolidated Financial Statements**”). The Audited Consolidated Financial Statements should be read along with the respective audit reports.)

Furthermore, in this Preliminary Placement Document, we have also included unaudited consolidated financial results of our Company, as at and for the nine months ended December 31, 2023, comprising of the consolidated profit and loss account prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ("**Ind AS 34**"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India (the "**Unaudited Consolidated Financial Results**"). The Unaudited Consolidated Financial Results should be read along with the review report issued by the Statutory Auditor.

In accordance with Regulation 33 of the SEBI Listing Regulations, our Company is required to publish its quarterly financial results on a consolidated basis, which are subjected to limited review by our Statutory Auditors, within 45 days from the completion of the relevant quarter. Accordingly, our Company has prepared statements of unaudited consolidated financial results for nine months ended December 31, 2023 (including comparative as at and for the nine months ended December 31, 2022), on which our Statutory Auditors have issued a separate auditor's review report dated January 25, 2024. The Unaudited Consolidated Financial Results have been incorporated in the Preliminary Placement Document. Unless stated otherwise, the financial data in this Preliminary Placement Document is derived from the Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Results.

Our Company prepares its financial statements in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements. Our Company publishes its financial statements in Indian Rupees. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS and US GAAP and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Preliminary Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. The degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

Our Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results are prepared in lacs and have been presented in this Preliminary Placement Document in millions and have been rounded off or expressed in two decimals. Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Non-GAAP financial measures

In this Preliminary Placement Document, there may be certain figures which may be Non-GAAP financial measures under Ind AS, IFRS or US GAAP. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

These non-GAAP financial measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities and are not required by or presented in accordance with Indian GAAP or Ind AS. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results.

The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial statements included in this Preliminary Placement Document. Prospective investors should read this information in conjunction with the financial statements included in "*Financial Information*" on page 179.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which we compete. Unless stated otherwise, the statistical information, industry and market data used throughout this Preliminary Placement Document has been obtained from the report titled "Indian Pump Industry Overview" dated March 11, 2024 prepared and issued by New Age TechSci Research Private Limited ("**TechSci Report**").

This data in the TechSci Report is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Similarly, while we believe its internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the BRLM can assure Bidders as to their accuracy.

The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled "*Risk Factors – Certain sections of this Preliminary Placement Document disclose information from the TechSci which is a paid report and commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks"* on page 49.

Disclaimer of the TechSci Report

"*The contents of this report are based on information generally available to the public from sources and primary interviews which are believed to be reliable. No representation is made whether it is timely, accurate or complete. TechSci Research has taken due care and caution in compilation of data as this has been obtained from various sources including primary interviews which it considers reliable and firsthand. However, TechSci Research does not guarantee the accuracy, adequacy or completeness of any information and it is not responsible for any errors or omissions or for the results obtained from the use of such information and especially states that it has no financial liability whatsoever to the subscribers / users of this report. The information herein, together with all the estimates and forecasts, can change depending on market practices.*"

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "can", "could", "estimate", "expect", "expected to", "intend", "is/are likely", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "will continue", "would", "will likely result", or any other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

These forward-looking statements appear in a number of places throughout this Preliminary Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, among other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. The forward-looking statements also include statements as to our Company's planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts.

These forward-looking statements contained in this Preliminary Placement Document (whether made by us or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Preliminary Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

- significant dependence on our government clients;
- failure to bid for or losing bids for solar water pumps EPC projects;
- volatility in the supply and pricing of our raw materials;
- adverse developments affecting our operations in various states; and
- slowdown, shutdown or disruption in our manufacturing facilities.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections titled "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 40, 93, 111 and 73, respectively.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, any future gains, losses or impact on net income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as on the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and neither we, nor the BRLM or any of their respective affiliates undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited liability company incorporated under the laws of India. All our Directors and our Key Managerial Personnel are residents of India and a substantial portion of the assets of our Company and such persons are located in India. As a result, it may be difficult or may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India predicated upon civil liabilities of our Company or such directors and executive officers under laws other than Indian laws, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States.

India is not a party to any multilateral international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, as amended (the "**Civil Procedure Code**"), on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Among other jurisdictions, the United Kingdom of Great Britain and Northern Ireland, Republic of Singapore, United Arab Emirates and Hong Kong have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws. We cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Our Company and the BRLM cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATE INFORMATION

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for or as of the end of the period indicated with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US$) for the periods indicated. The exchange rates are based on the reference rates released by the RBI and Financial Benchmark India Private Limited ("**FBIL**"), which are available on the websites of RBI and FBIL. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

US$

				(₹ per US$)
	Period end (^)	**Average (1)**	**High (2)**	**Low (3)**
Financial Year:				
2023	82.22	80.39	83.20	75.39
2022	75.81	74.51	76.92	72.48
2021	73.50	74.20	76.81	72.29
Month ended:				
February 29, 2024	82.92	82.96	83.09	82.84
January 31, 2024	83.08	83.12	83.33	82.85
December 31, 2023	83.12	83.28	83.40	83.02
November 30, 2023	83.35	83.30	83.39	83.13
October 31, 2023	83.27	83.24	83.27	83.15
September 30, 2023	83.06	83.05	83.26	82.66

(Source: www.rbi.org.in and www.fbil.org.in, as applicable)

(^) The price for the period end refers to the price as on the last trading day of the respective fiscal year or quarterly or monthly periods.

(1) Average of the official rate for each Working Day of the relevant period.

(2) Maximum of the official rate for each Working Day of the relevant period.

(3) Minimum of the official rate for each Working Day of the relevant period.

Notes:

A If the RBI/FBIL reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.

B The RBI/ FBIL reference rates are rounded off to two decimal places.

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.

The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further, any references to any agreement, document, statute, rules, guidelines, regulations or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations framed thereunder. Notwithstanding the foregoing, terms used in the sections titled "Taxation", "Industry Overview", "Financial Information" and "Legal Proceedings" on pages 162, 93, 179 and 170, respectively, shall have the meaning given to such terms in such sections.

General Terms

Term	Description
"Our Company", "the Company", "the Issuer", "Shakti" or "SPIL"	Shakti Pumps (India) Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Plot No. 401, 402 & 413, Sector 3, Industrial Area, Pithampur, Dhar, Madhya Pradesh - 454774
"We", "Our", or "Us"	Unless the context otherwise indicates or implies, refers to our Company along with its Subsidiaries, on a consolidated basis.

Company Related Terms

Term	Description
Articles or Articles of Association	The Articles of Association of our Company, as amended from time to time
Audit Committee	The Audit Committee of our Board, as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" on page 127
Audited Consolidated Financial Statements	Collectively, the Fiscal 2021 Audited Consolidated Financial Statements, the Fiscal 2022 Audited Consolidated Financial Statements and the Fiscal 2023 Audited Consolidated Financial Statements
Auditors or Statutory Auditors	The current statutory auditors of our Company namely, PGS Associates, Chartered Accountants
Board of Directors or Board	The board of directors of our Company, including any duly constituted committee thereof, as disclosed in "*Board of Directors and Senior Management*" on 122
Chairman and Whole-Time Director/ Chairman	The Chairman and whole-time director of our Company being Dinesh Patidar
Chief Financial Officer	The chief financial officer of our Company being Dinesh Patel
Company Secretary and Compliance Officer/ Company Secretary/ Compliance Officer	The company secretary and compliance officer of our Company being Ravi Patidar
Corporate Social Responsibility Committee	The Corporate Social Responsibility Committee of our Board, as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" on page 127
Director(s)	The directors on the Board of our Company, as may be appointed from time to time
Equity Shares	The equity shares of face value of ₹10 each of our Company
Fiscal 2021 Audited Consolidated Financial Statements	Audited consolidated financial statements of our Company as at and for the year ended March 31, 2021, comprising of the consolidated balance sheet as at March 31, 2021, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended March 31, 2021 and notes to such consolidated financial statements, including a summary of significant accounting policies and other explanatory information, prepared by the management in accordance with Indian AS and as prescribed under section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India along with the report dated May 17, 2021 issued thereon by

Term	Description
	our Statutory Auditors
Fiscal 2022 Audited Consolidated Financial Statements	Audited consolidated financial statements of our Company as at and for the year ended March 31, 2022, comprising of the consolidated balance sheet as at March 31, 2022, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended March 31, 2022 and notes to such consolidated financial statements, including a summary of significant accounting policies and other explanatory information, prepared by the management in accordance with Ind AS and as prescribed under section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India along with the report dated May 2, 2022 issued thereon by our Statutory Auditors
Fiscal 2023 Audited Consolidated Financial Statements	Audited consolidated financial statements of our Company as at and for the year ended March 31, 2023, comprising of the consolidated balance sheet as at March 31, 2023, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended March 31, 2023 and notes to such consolidated financial statements, including a summary of significant accounting policies and other explanatory information, prepared by the management in accordance with Ind AS and as prescribed under section 133 of the Companies Act read with the Companies (Indian Accounting Standards) rules 2015, as amended, and other accounting principles generally accepted in India along with the report dated May 5, 2023 issued thereon by our Statutory Auditors
Independent Director(s)	Independent directors of our Company, unless otherwise specified
Key Managerial Personnel	The key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as disclosed in "*Board of Directors and Senior Management – Key Managerial Personnel*" on page 126
Managing Director	The managing director of our Company being Ramesh Patidar
Memorandum or Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of the Board of our Company as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" on page 127
Promoter Group	The individuals and entities forming part of the promoter group of our Company in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
Promoters	The promoters of our Company, namely (i) Pallavi Patidar, (ii) Aishwarya Sharma, (iii) Indira Patidar, (iv) Geeta Patidar, (v) Seema Patidar, (vi) Dinesh Patidar, (vii) Sunil Patidar, (viii) Ankit Patidar, (ix) Shakti Sons Trust, (x) Shakti Brothers Trust, and (xi) Shakti Future Trust
Registered and Corporate Office	The registered and corporate office of our Company located at Plot No. 401, 402 & 413, Sector 3, Industrial Area, Pithampur, Dhar, Madhya Pradesh - 454774
Risk Management Committee	The Risk Management Committee constituted by our Board as disclosed in "*Board of Directors and Senior Management – Committees of our Board of Directors*" on page 127
Senior Management	The members of the senior management of our Company in accordance with Regulation 2 (1) (bbbb) of the SEBI ICDR Regulations as disclosed in the section titled "*Board of Directors and Senior Management – Members of Senior Management*" on page 126
Shareholders	Shareholders of our Company from time to time
Stakeholders Relationship Committee	The Stakeholders Relationship Committee of our Board as disclosed in the section titled "*Board of Directors and Senior Management – Committees of our Board of Directors*" on page 127
Shakti Energy / SESPL	Shakti Energy Solutions Private Limited
Shakti EV / SEMPL	Shakti EV Mobility Private Limited
Subsidiaries	The subsidiaries of our Company in accordance with the Companies Act, 2013 as on the date of this Preliminary Placement Document, namely: (1) Shakti Energy Solutions Private Limited; (2) Shakti EV Mobility Private Limited; (3) Shakti Pumps USA LLC; (4) Shakti Pumps FZE, UAE; and (5) Shakti Pumps (Bangladesh) Limited
Unaudited Consolidated Financial Results	The unaudited condensed interim consolidated financial statements as at and for the nine months ended December 31, 2023 prepared in accordance with the Ind AS and Companies Act, 2013 together with the limited review report dated January 25, 2024 issued by our Statutory Auditors

Term	Description
Treasury Committee	The Treasury Committee of our Board as disclosed in the section titled "*Board of Directors and Senior Management – Committees of our Board of Directors*" on page 127
Whole-time Director(s)	The whole-time directors of our Company, namely, Dinesh Patidar, Ramesh Patidar and Sunil Patidar

Issue related terms

Term	Description
Allocated or Allocation	The allocation of Equity Shares, by our Company in consultation with the BRLM, following the determination of the Issue Price to Eligible QIBs on the basis of the Application Forms submitted by them and in compliance with Chapter VI of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	Allotment and issue of Equity Shares pursuant to the Issue
Allottees	Eligible QIBs to whom Equity Shares are issued pursuant to the Issue
Application Amount	The aggregate amount paid by a Bidder at the time of submitting a Bid in the Issue
Application Form	Form (including any revisions thereof) which will be submitted by the Eligible QIBs for registering a Bid in the Issue
Bid Amount	The amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by a Bidder and payable by the Bidder in the Issue at the time of submission of the Application Form
Bid(s)	Indication of an Eligible QIB's interest, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bidder	Any prospective investor, being an Eligible QIB, who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
Book Running Lead Manager or BRLM	Ernst & Young Merchant Banking Services LLP
CAN/ Confirmation of Allocation Note	Note, advice or intimation confirming Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about [●]
Designated Date	The date on which the Equity Shares issued pursuant to the Issue, are listed on the Stock Exchanges pursuant to receipt of the final listing and trading approvals for the Equity Shares from the Stock Exchanges or the date on which Form PAS-3 is filed by our Company with the RoC, whichever is later
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable laws, other than individuals, corporate bodies and family offices
Eligible QIBs	QIBs, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under the applicable laws. Further, FVCIs are not permitted to participate in the Issue and accordingly, are not Eligible QIBs. For further details, see "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 136, 151 and 152, respectively.
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, to be opened in the name and style "Shakti Pumps (India) Limited – QIP Escrow Account" with the Escrow Bank, subject to the terms of the Escrow Agreement into which the Application Amount in connection with the subscription to the Equity Shares pursuant to the Issue shall be deposited by the Bidders
Escrow Agreement	Agreement dated March 15, 2024, entered into by and amongst our Company, the Escrow Bank and the Book Running Lead Manager for collection of the Application Amounts and remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Bank	ICICI Bank Limited
Floor Price	Floor price of ₹1,272.09 for each Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount on the Floor Price in accordance with the approval of our Board dated January 18, 2024 and the Shareholders dated February 20, 2024 (passed through postal ballot) and in terms of Regulation 176(1) of the SEBI ICDR Regulations. The net price after discount on the Floor Price is ₹ [●]
Gross Proceeds	The gross proceeds of the Issue that will be available to our Company

Term	Description
Issue	Offer and issuance of the Equity Shares to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	[●], the date after which our Company (or Book Running Lead Manager on behalf of our Company) shall cease acceptance of Application Forms and the Application Amount
Issue Opening Date	[●], the date on which our Company (or the Book Running Lead Manager on behalf of our Company) shall commence acceptance of the Application Forms and the Application Amount
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids along with the Application Amount
Issue Price	A price per Equity Share of ₹ [●]
Issue Size	Aggregate size of the Issue, up to ₹[●] million
Monitoring Agency	India Ratings and Research Private Limited
Monitoring Agency Agreement	Monitoring agency agreement dated March 18, 2024, entered into between our Company and the Monitoring Agency
Mutual Fund	A mutual fund registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, being ₹ [●] million
Placement Agreement	Placement agreement dated March 18, 2024 by and among our Company and the Book Running Lead Manager
Placement Document	The placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules prescribed thereunder
Preliminary Placement Document	This Preliminary Placement Document along with the Application Form dated March 19, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules prescribed thereunder
QIBs or Qualified Institutional Buyers	Qualified institutional buyers, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 read with applicable rules
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all, or part, of the Application Amount submitted by such Bidder pursuant to the Issue
Refund Intimation	The intimation from our Company to relevant Bidders confirming refund of the Refund Amount to their respective bank accounts
Regulation S	Regulation S under the U.S. Securities Act
Relevant Date	March 19, 2024, which is the date of the meeting in which our Treasury Committee decided to open the Issue
Securities Act / U.S. Securities Act / United States Securities Act	The United States Securities Act of 1933, as amended
Stock Exchanges	BSE and NSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount with the Application Form and who are Allocated Equity Shares pursuant to the Issue
U.S. / United States	The United States of America
Working Day	Any day on which the principal commercial banks in Mumbai and Indore are open for business during normal banking hours

Business, technical and industry related terms

Term	Description
TechSci Report	The report titled "Indian Pumps Industry Overview" dated March 11, 2024, prepared by New Age TechSci Research Private Limited and commissioned by our Company
ADB	Asian Development Bank

Term	Description
AIF	Agri Infrastructure Fund
CDP	Cluster Development Programme
EV	Electric Vehicle
FDI	Foreign Direct Investment
GDP	Gross Domestic Products
GW	Gigawatt
IMF	International Monetary Fund
LBS	Pound unit of mass
MMT	Million Metric Tonnes
MT	Metric Tonnes
NBFCs	Nonbank financial companies
OECD	Organization for Economic Co-operation and Development
PM- KUSUM	Pradhan Mantri Kisan Urja Suraksha Evam Utthaan Mahabhiyan
RERA	Real Estate (Regulation and Development) Act

Conventional and General Terms/Abbreviations

Term	Description
AGM	Annual General Meeting
AIF(s)	Alternative investment funds, , as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS or Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compound annual growth rate
Calendar Year	Year ending on December 31
CDSL	Central Depository Services (India) Limited
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CFO	Chief Financial Officer
CIN	Corporate Identification Number
Civil Procedure Code	The Code of Civil Procedure, 1908
Companies Act	The Companies Act, 2013 or the Companies Act, 1956, as applicable
Companies Act, 1956	The erstwhile Companies Act, 1956, as amended and the rules made thereunder
Companies Act, 2013	The Companies Act, 2013, as amended and the rules made thereunder
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
CrPC	The Code of Criminal Procedure, 1973
Depositories	CDSL and NSDL
Depositories Act	The Depositories Act, 1996
Depository Participant or DP	A depository participant as defined under the Depositories Act
DP ID Number	Depository participant identification number
DPIIT	Department for Promotion of Industry and Internal Trade
EGM	Extraordinary general meeting
EU	European Union
FBIL	Financial Benchmarks India Limited
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, together with rules and regulations issued thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year or Fiscal	The period of 12 months ended March 31 of that particular year, unless otherwise stated
FIR	First information report
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investor, as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, registered with SEBI
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
General Meeting	AGM or EGM
GoI or Government	Government of India

Term	Description
GST	Goods and Services Tax
HNI	High net-worth individual
HUF	Hindu Undivided Family
I.T. Act	The Income-tax Act, 1961
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian accounting standards, as per the roadmap issued by the Ministry of Corporate Affairs, Government of India, notified by the MCA under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended
Indian GAAP	Indian Generally Accepted Accounting Principles (GAAP) as notified under Section 133 of the Companies Act read with Companies (Accounts) Rules, 2014
IRDAI	Insurance Regulatory and Development Authority of India
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, GoI
MoEF	Ministry of Finance, GoI
MoU	Memorandum of Understanding
Mutual Funds	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NEFT	National Electronic Fund Transfer
Non-Resident Indian or NRI	An individual resident outside India who is citizen of India
Non-Resident or NR	A person resident outside India, as defined under the FEMA
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
P.A. or p.a.	Per annum
PAN	Permanent Account Number allotted under the I.T. Act
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
PAT	Profit after tax
P.M. or p.m.	Per month
RBI	Reserve Bank of India
RoC or Registrar	Registrar of Companies, Madhya Pradesh at Gwalior
SCR (SECC) Regulations	The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations), Regulations, 2018
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India established under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
U.S.	The United States of America and its territories and possessions
U.S. GAAP	Generally accepted accounting principles in the United States of America
VCF	Venture capital fund
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations

SUMMARY OF BUSINESS

Overview

We are an integrated player focused on manufacturing of fabrication technology-based solar / electricity operated submersible pumps in India, catering to our clientele across the globe. We are recognized as one of the leading domestic manufacturers in the Indian pump industry (*Source: TechSci Report*). With over four decades of experience, 12 (twelve) patents and continuous commitment to innovation, we deliver unique proprietary products through in-house research, design and development. We are one of the few manufacturers domestically, with the competency to manufacture solar and submersible pumps and motors in-house.

Our Company's significant involvement in the "Pradhan Mantri Kisan Urja Suraksha evam Utthan Mahabhiyan Scheme " ("**PM KUSUM**") of the Government of India ("**GoI**") providing substantial opportunities for us as we cater to major section of the scheme. The PM KUSUM reflects commitment to provide energy and water security to farmers through deployment of solar power among farmers to meet their energy requirements and also to enhance their income. (*Source: PM Kusum Reform, September 2021 available at https://pmkusum.mnre.gov.in/pdf/PM-KUSUM%20Reforms%20English%20(21-09-2021).pdf*). The scheme aims is to install solar pump sets to replace traditional diesel or electric pump set used by farmers for irrigation. This helps in reducing the dependency on fossil fuels and mitigates greenhouse gas emissions. These solar power plants allow farmers to generate additional income by selling surplus electricity to the grid. In addition, under this scheme, farmers can receive support for the solarization of their existing pump sets. This involves retrofitting existing pumps with solar panels to reduce their dependence on conventional electricity or diesel. (*Source: Techsci Report*). The contribution of our Company in the Scheme as of December 31, 2023 is set out below:

Particulars	Number of Pumps
Total no. of pumps (order) awarded under PM Kusum Scheme	12,23,721
Total order executed	2,84,607
Total order executed by Shakti Pumps	68,779

* Source: *https://pmkusum.mnre.gov.in/landing.html data as per December 31, 2023*

Our business is classified into five broad segments i.e. Customers under government projects, Exports and Others (including Original Equipment Manufacturer, Industrial, & Others). The revenue from each of these segments for the fiscals ending March 31, 2021, March 31, 2022 and March 31, 2023 are below:

Segments (Consolidated numbers - ₹ Million)	Fiscal ended March 31,		
	2023	2022	2021
Customers under Government Projects	6,232.00	8,148.42	5,422.65
Exports	2,325.41	1,851.12	1,800.16
Industrial Customers	158.98	155.20	174.79
OEM Customers	113.40	312.30	859.00
Other Customers	847.04	1318.31	1,040.01
Total	9,676.83	11,785.35	9,296.61

We are one of few companies in the Industry to implement enterprise resource planning ("**ERP**") in our business for (i) automating and streamlining business processes, (ii) real-time visibility, (iii) assistance with planning, forecasting, budgeting and support informed decision making, (iv) improved customer service including faster response times and more accurate delivery projections, (v) increased productivity, (vi) compliance and risk management and (vii) scalability, thereby optimizing our operations and driving growth.

We are backward integrated with design, process engineering, casting and machining capabilities (CNC – Computerised Numeric Control) which allows us greater control over process, timelines, pricing and quality. Our in-house design capabilities allow us to meet with the customers' requirements across the globe by following NEMA (National Electrical Manufacturers Association) standards.

We lay significant emphasis on research and development. This has also enabled us to address our consumers' diverse needs, introduce new and innovative products in the market, enhance existing products with emerging technologies, and optimize costs across our products through value analysis and value engineering.

Over the years, we have focused on creating robust manufacturing systems and processes that comply with health and safety, as well as environmental, social and governance requirements. We have received ISO 9001:2015, ISO 14001: 2015 and ISO 45001: 2018 certifications from Bureau Veritas Certification Holding SAS (UK branch). Over the years, we have developed a track record of manufacturing quality and technologically advanced pumps and motors at our certified manufacturing facilities. As on the date of this Preliminary Placement Document, we operate out of four manufacturing facilities located in Pithampur, Madhya Pradesh, equipped with (i) casting machines, (ii) computerised numerical control (CNC) machines, (iii) lathe and milling machines, (iv) hydraulic presses, (v) welding machines including laser welding, (vi) coil winding machines, (vii) vacuum pressure impregnation machine, (viii) testing equipment like dynamometers, electrical testers, pressure testers, flow meters for compliance with quality and safety standards, (ix) laser marking among others. We follow stringent quality standards and place a strong emphasis on quality for our products.

As on February 29, 2024, we had a total installed capacity of 500,000 pumps. As on December 31, 2023, our pending order book was INR 22,500 million to be executed in the next two years. As on December 31,2023, we have installed 68,779 pumps under Component B of PM Kusum, 24.17% of the total pumps installed through the PM KUSUM, thereby significantly contributing to the initiative of Government of India. (Source: *https://pmkusum.mnre.gov.in/landing.html data as per December 31, 2023*)

We are also forward integrated with a network of sales and service locations across various locations in India and over 100 locations outside India, as of February 29, 2024. We caters to multiple industry verticals including agriculture, commercial, industrial and others. We are well positioned to increase the number of different products that we manufacture for them, increase the volume of our shipments to them of each particular product and expand our coverage to other areas where they require similar solutions.

We are led by our Promoter, Dinesh Patidar, and our Managing Director, Ramesh Patidar, who have several decades, respectively, of experience in the pumps and motor industry and have been instrumental in the growth of our Company. Under their leadership we have been able to expand our operations and have established a significant presence in India and export markets. We have a diversified Board of Directors, which is supplemented by a strong senior management team with significant experience in the industry that has demonstrated its ability to anticipate and capitalize on changing market trends, manage and grow our operations and leverage and deepen customer relationships. As of February 29, 2024, we had a workforce of 1,681 personnel which comprised 602 permanent employees and 1,111 contract employees for our operations.

The following table sets forth certain information relating to certain key financial performance metrics on a consolidated basis as of the dates and for the periods indicated:

Particulars	**As of and for the year ended ,March 31**			**As of and for the nine months ended December 31,**	
	2023	**2022**	**2021**	**2023**	**2022**
Revenue from Operations	9,677	11,785	9,297	7,615	7,850
EBITDA[1]	666	1,105	1,413	941	557
EBITDA margin[2]	6.9%	9.4%	15.2%	12.4%	7.1%
Profit after Tax for the year / period	241	648	756	521	219
Profit after tax margin[3]	2.5%	5.5%	8.1%	6.8%	2.8%
Return on Equity ("**ROE**")[4]	6.80%	17.24%	22.55%	-	-
Return on Capital Employed ("**ROCE**")[5]	9.32%	17.85%	28.21%	-	-
Current Ratio[6]	1.76	1.48	1.56	-	-
Debt Service Coverage Ratio[7]	4.50	6.41	6.77	-	-
Trade Receivables Turnover Ratio[8]	3.17	3.67	4.85	-	-
Debt to Equity Ratio[9]	0.20	0.29	0.22	-	-
Inventory Turnover Ratio[10]	4.91	7.25	7.20	-	-

Notes:

1 *EBITDA is calculated as profit before tax plus depreciation and amortization expense plus finance cost less finance income and other income*

2 *EBITDA margin is calculated as EBITDA divided by revenue from operations*

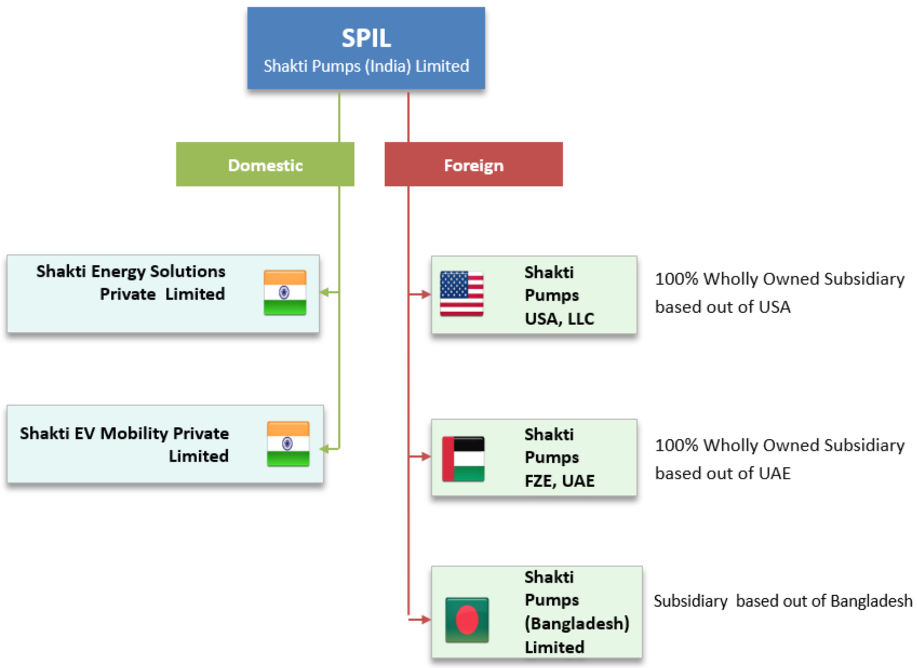
3 *Profit After Tax Margin is calculated as profit after tax divided by revenue from operations.*

4 *ROE is calculated as profit after tax less share of profit / (loss) of minority interest divided by average Net Worth. Average Net Worth is calculated as average of Net Worth as of the first day of the relevant period and as of the last day of the relevant period.*

5 *ROCE is calculated as EBIT divided by capital employed. EBIT is calculated as profit before tax plus finance cost.*

Capital Employed represents Total Equity + Borrowings.
6 *Current assets divided by Current Liabilities.*
7 *Earnings available for debt service represents Profit Before Tax + Depreciation and Amortizations + Interest on Debt + Loss on Sale of Fixed Assets divided by Debt Service represents Interest on Debt + Scheduled Principal Repayment of Non Current Borrowings*
8 *Net Sales represents Domestic Sales + Export Sales + Scrap Sales divided by Average Trade Receivables.*
9 *Debt to Equity Ratio is calculated as total debt divided by Net Worth. Total debt is calculated as non-current borrowings plus current borrowing.*
10 *Inventory Turnover Ratio is calculated as revenue from operations divided by average inventory.*

Organisation Structure



Strengths

1. *Long history and strong brand recall*

We have over four decades of industry experience in manufacturing of pump and motors. We started in the year 1982 and have in the forefront of the industry in achieving several milestones in the industry. Our Company was listed on the Stock Exchanges in the year 1995. We established our manufacturing facility at the special economic zone in Pithampur in the year 2008. We were received 5-star rating for our products from Bureau of Energy Efficiency. We commenced a new segment with the solar powered pump manufacturing in the year 2014, being one of the first in our industry.

Over the course of more than 40 years, our Company has firmly established itself as a trusted leader within the pumps and motors industry. Rooted in a long, rich history of dedication to quality, innovation and customer satisfaction, our Company has journeyed many milestones, refining and perfecting practices to ensure optimum service delivery. From our humble beginnings to our current expansive global footprint, we have kept our high standards at the forefront of our operations, earning us strong brand recall. This brand power, accumulated through decades of consistent excellence, speaks volumes of our unyielding commitment to our consumers. Our successful legacy underpins the strong reputation we have today in the pumps and motor industry, promising a future of ongoing significant contributions and unrivaled solutions. We have also commenced exploring sustainable options such as electric vehicles through our Subsidiary.

Our manufacturing facilities focuses on our persistent commitment to innovation, consumer satisfaction, and quality assurance and dedication towards delivering excellence in the industry. Such growth and the ensuing brand strength manifests not just our significant footprint in the pumps and motor industry, but also assures an unwavering continuation of pioneering solutions and offerings, thus, making us one of the leading domestic manufacturers in the Indian pump industry (*Source: TechSci Report*)

We have created a foot hold in the customer base with our strong in-house manufacturing capabilities and quality standard. We have increased our presence to over 100 countries where our products are sold and serviced. We have also increased our exports from INR 1,851.12 million as on March 31, 2022 to INR 2,325.41 million as on March 31, 2023. We believe our long term presence and timely innovations has improved our brand recall and market share.

2. Robust research and development capabilities

Our company has continually distinguished itself in the pumps and motors industry, largely due to our robust Research and Development (R&D) capabilities. As a manufacturing entity, we understand the importance of continuously evolving our product offerings to stay ahead of technological advances and consumer expectations. This understanding forms the backbone of our R&D initiatives. As of February 29, 2024, our research and development team comprised of experts holding doctorate and master's degree in technology (from institutions such as IISc, IITs and NITs) and others which enable us to design and develop innovative products. The team is technically focused on all aspects of our products including a dedicated sub-team focusing on developing EV products.] As on the date of Preliminary Placement Document, we have secured 12 (twelve) patents across various verticals in the product development life-cycle, thereby fostering a culture of innovation within the Company, encouraging further development and progress.

We have a dedicated research and development facility that has certification from Department of Scientific and Industrial Research located within our facility at Pithampur, Madhya Pradesh – Unit – I. Our research and development efforts are focused on development of new products and improvement of the quality of our existing products; and driving the design and engineering capabilities along with original design manufacturing.

Our R&D efforts place significant emphasis on improving our production processes and augmenting the quality of our existing products and are often driven by specific needs communicated by our customers. We have integrated our testing capabilities to enable faster product development, and have been consistently engaging with our customers in relation to the testing and development process. These robust R&D capabilities have primed our company for sustained industry leadership, cementing our status as the go-to choice for advanced, quality pumps and motors.

Further, as of March 31, 2023, our Company has invested over ₹ 36.56 million (including both capital and revenue R&D expenditure) towards our R&D-related infrastructure.

3. Integrated facility to develop technology and manufacture pumps

Our integrated facility helps us manage every step of creating and producing our pumps and motors. From brainstorming new technologies to crafting and fine-tuning the final products, everything happens under our roof. Our unified setup promotes collaboration amongst our teams, facilitating quick problem resolution and enabling us to promptly cater to market demands. This self-sufficiency helps us save costs and streamline our operations. We are one of few companies in the industry to implement ERP in our business that enhances efficiency by streamlining every aspect of the manufacturing process, including planning, procurement, production, sales, and delivery, thereby ensuring adaptability. This integrated approach not only allows us to deliver high-quality, reliable products efficiently but also positions us as one of the leading players in the industry committed to customer satisfaction. It truly is a testament to our belief in constant innovation and a customer-centric approach.

Our capabilities that enable us to provide end-to-end solutions are (i) casting machines, (ii) computerised numerical control (CNC) machines, (iii) lathe and milling machines, (iv) hydraulic presses, (v) welding machines including laser welding, (vi) coil winding machines, (vii) vacuum pressure impregnation machine, (viii) testing equipment like dynamometers, electrical testers, pressure testers, flow meters for compliance with quality and safety standards, (ix) laser marking among others.

Backward integration provides us the benefit of greater control on the manufacturing process, quality and the corresponding benefits of cost efficiencies thereby improving our margins. Backward integration also enables us to have less dependency on third parties, gain control over the quality of components required for manufacturing our products, have upper edge in designing products, improve operational and functional efficiencies and gain strategic advantages over competitors. This also enables us to address our consumers' diverse needs, introduce new and unique products in the market and enhance existing products with emerging technologies. As a result, we are able to fulfil customers' requirements in a timely manner and enhance our ability to offer cost-competitive 'one-stop-shop' solutions.

4. ***Strong and experienced management***

Our Company's standing as one of the one of the leading domestic manufacturers in the Indian pump industry (***Source:*** *TechSci Report*) within the competitive sphere of pump manufacturing is significantly attributed to our robust and experienced management.

We are led by our Promoter and Chairman, Dinesh Patidar, and our Managing Director, Ramesh Patidar, who have more than four decades of experience in the pumps and motor industry and have been instrumental in the growth of our Company. Under their leadership we have been able to expand our operations and have established a significant presence in India and export markets. Their commitment to fostering innovation, driving operational efficiency, and maintaining production quality has significantly contributed to our impeccable reputation in the industry. The strength of our management, therefore, is a critical competitive advantage, positioning our Company as reliable, innovative, and one of the domestic leaders in the pumps manufacturing business.

Our Board of Directors includes a combination of management executives and independent directors who bring in diverse expertise. We believe that the combination of our experienced Board of Directors and our Promoters positions us well to capitalize on future growth opportunities. Our Promoters and certain of our Key Managerial Personnel and Senior Management have been with us for several years, demonstrating continuity and commitment in our leadership. Our senior management team has played an instrumental role in solidifying customer relationships. We rely on our leadership and management team’s guidance to provide us with a competitive advantage as we seek to grow our business.

5. ***Manufacture of high quality products and maintenance of quality***

The manufacture of high-quality pumps has become a pillar of strength for our Company, along with an unwavering commitment to quality maintenance. Every pump we manufacture undergoes rigorous and continuous quality checks (before dispatch), ensuring uncompromised functionality, durability, and efficiency. Our manufacturing process is constantly fine-tuned in line with global best practices and technological advancements to sustain and enhance product quality.

We work closely with our clients throughout the entire life-cycle of our pumps, from development to final production of our products. We ensure the quality standards of our products through complete testing of the products manufactured. Our post-sale services also ensure a constant level of support and assistance for our customers long after purchase. This assist in reducing the customers' product development processes and time-to-market cycles.

Our adherence to the highest quality standards not only secures our market position but significantly boosts our competitive edge. It is the consistency in delivering better quality pumps that has helped us earn continued customer trust and loyalty. In essence, our commitment to producing and maintaining high-quality products has been a crucial factor underpinning our competitive strength in the pumps manufacturing industry.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections titled "*Risk Factors*", "*Use of Proceeds*", "*Placement*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages [●], [●], [●], [●] and [●], respectively.

Issuer	Shakti Pumps (India) Limited
Face Value	₹10 per Equity Share
Issue Size	Issue of up to [●] Equity Shares at a premium of ₹[●], aggregating up to ₹[●] million A minimum of 10% of the Issue Size, i.e., at least [●] Equity Shares, shall be made available for Allocation to Mutual Funds only and the balance [●] Equity Shares shall be made available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation to Mutual Funds, such undersubscribed portion or part thereof may be Allotted to other Eligible QIBs.
Date of Board Resolution	January 18, 2024
Date of Shareholders' Resolution (through postal ballot)	February 20, 2024
Authority for the Issue	The Issue has been authorised by the Board on January 18, 2024 and the shareholders of our Company pursuant to a special resolution passed through postal ballot dated February 20, 2024
Floor Price	₹ 1,272.09 per Equity Share The Floor Price for the Issue has been calculated in accordance with Regulation 176 of Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the Shareholders accorded through their special resolution passed in their extraordinary general meeting held on February 20, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Price	₹[●] per Equity Share (including a premium of ₹[●] per Equity Share)
Eligible Investors	Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue. For further details, see the sections titled "*Issue Procedure – Eligible Qualified Institutional Buyers*" and "*Transfer Restrictions and Purchaser Representations*" on pages [●] and [●], respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and the Application Form is delivered shall be determined by the BRLM in consultation with our Company, at their sole discretion.
Equity Shares issued and outstanding immediately prior to the Issue	18,560,356 Equity Shares of face value of ₹10 each, being fully paid-up
Issued and subscribed Equity Share capital prior to the Issue	₹185,603,560 comprising of 18,630,356 Equity Shares of face value of Rs. 10 each.
Paid-up Equity Share capital prior to the Issue	₹183,801,560 comprising of 1,83,80,156 Equity Shares of face value of ₹10 each.
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares
Issue Procedure	The Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act, read with Chapter VI of the SEBI ICDR Regulations. For further details, see "*Issue Procedure*" on page 136.
Listing and Trading	Our Company has received in-principle approvals, each dated March 19, 2024 from BSE and NSE respectively in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue. Our Company will make applications to each of the Stock Exchanges to obtain final listing and trading approval for the Equity Shares after the Allotment and after the credit of the Equity Shares to the beneficiary account of the Depository Participant. The trading of the Equity Shares would be in dematerialized form and only in the cash

	segment of each of the Stock Exchanges.
Lock-in	See "*Placement – Lock-up*" on page 149 for a description of restrictions on our Company and Promoters in relation to Equity Shares.
Transferability Restrictions	The Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. For further details, see "*Transfer Restrictions and Purchaser Representations*" on page 152
Use of Proceeds	The Gross Proceeds from the Issue will be approximately ₹[●] million. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, will be approximately ₹[●] million. For additional information on the use of the net proceeds from the Issue, see *"Use of Proceeds"* on page 63.
Risk Factors	See "*Risk Factors*" on page 40 for a discussion of risks you should consider before deciding whether to subscribe for the Equity Shares.
Dividend	See "*Description of the Equity Shares*" and "*Dividends*" on pages 158 and 72, respectively.
Taxation	See "*Taxation*" on page 162.
Closing Date	The Allotment of Equity Shares pursuant to the Issue is expected to be made on or about [●], 2024.
Status, Ranking and dividends	The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including rights in respect of dividends. Our Shareholders (as on record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, the SEBI Listing Regulations and other applicable laws and regulations. Our Shareholders may attend and vote in shareholders' meetings on the basis of one vote for every Equity Share held. For further details, see "*Description of the Equity Shares*" and "*Dividends*" on pages 158 and 72.
Voting Rights	See "*Description of the Equity Shares – Voting Rights*" on page 158.
Security Codes for the Equity Shares	ISIN: INE908D01010 BSE code & Symbol: 531431, SHAKTIPUMP NSE symbol: SHAKTIPUMP

SUMMARY OF FINANCIAL INFORMATION

The following tables set out selected financial information as extracted from our Unaudited Consolidated Financial Results and our Audited Consolidated Financial Statements and presented in "Financial Information" on page 179. The selected financial information presented below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Information", on pages 73 and 179, respectively, for further details.

Consolidated Statement of Profit & Loss

Fig In Rs million

	Particulars	31-Mar-23	31-Mar-22	31-Mar-21	31-Dec-23	31-Dec-22
I	Revenue from Operations	9,676.83	11,785.35	9,296.61	7,614.62	7,850.24
II	Other Income	32.53	61.41	37.71	27.12	26.72
III	**Total Income (I+II)**	**9,709.36**	**11,846.76**	**9,334.33**	**7,641.74**	**7,876.96**
		-	-	-	-	-
IV	**Expenses**	-	-	-	-	-
	Cost of Materials Consumed	7,446.05	9,544.56	6,383.88	5,982.77	6,141.32
	Purchase of Stock-in-Trade	-	-	-	-	-
	Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	(12.39)	(498.11)	182.95	(697.64)	(62.89)
	Employee Benefits Expenses	534.01	524.12	436.37	462.99	414.25
	Finance Costs	191.64	156.76	162.11	117.38	151.11
	Depreciation and Amortisation Expense	184.02	185.75	183.65	142.20	139.39
	Other Expenses	1,043.56	1,110.27	872.90	925.55	800.88
	Total Expenses (IV)	**9,386.89**	**11,023.35**	**8,221.86**	**6,933.24**	**7,584.05**
		-	-	-	-	-
V	**Profit/(loss) before Exceptional Items and Tax (III-IV)**	**322.47**	**823.42**	**1,112.46**	**708.50**	**292.91**
VI	Exceptional Items	-	-	-	-	-
VII	**Profit/ (loss) before Tax(V-VI)**	**322.47**	**823.42**	**1,112.46**	**708.50**	**292.91**
VIII	**Tax Expense:**	-	-	-	-	-
	(1) Current Tax	91.52	222.48	249.19	193.82	86.05
	(2) Excess/Short Provision of Tax	(6.74)	(0.03)	-	(0.38)	(6.05)
	(3) Deferred Tax	(3.62)	(47.19)	107.41	(5.45)	(5.93)
IX	**Profit/(loss) for the year (VII-VIII)**					

	Particulars	31-Mar-23	31-Mar-22	31-Mar-21	31-Dec-23	31-Dec-22
		241.32	**648.16**	**755.86**	**520.51**	**218.84**
		-	-	-	`	-
X	**Other Comprehensive Income**	-	-	-	-	-
(A)	(i) Items that will not be reclassified to profit or loss	-	-	-	-	-
	Re-measurement gains/(loss) on defined benefit plans	1.15	(3.73)	7.14	(0.08)	(0.77)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.28)	0.94	(2.47)	0.02	0.19
(B)	(i) Items that will be reclassified to profit or loss	-	-	-	-	-
	Unrealised exchange gain/(loss)	43.35	20.61	(11.19)	5.46	41.48
	(ii) lncome tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	Total Comprehensive Income for the year (X)	**44.22**	**17.82**	**(6.52)**	**5.40**	**40.90**
XI	**Total Comprehensive Income /Loss for the year (IX+X)**	**285.54**	**665.98**	**749.35**	**525.91**	**259.74**
XII	Earnings per equity share [nominal value of share Rs. 10/-]					
	(1) Basic	13.13	35.26	41.12	28.32	11.91
	(2) Diluted	13.13	35.26	41.12	28.32	11.91

<u>Consolidated Statement of Balance Sheet</u>

Fig In Rs million

			Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
I			**ASSETS**			
	1		**Non - Current Assets**			
		(a)	Property, Plant and Equipment	1,420.90	1,410.92	1,431.34
		(b)	Capital Work-In-Progress	14.65	4.95	5.79
		(c)	Intangible Assets	44.92	46.31	42.19
		(d)	Intangible Assets Under Development	0.86	1.09	1.80
		(e)	Financial Assets			
		(i)	Investments	0.00	0.00	0.00
		(ii)	Loans & Advances			
		(ii)	Other Financial Assets	108.14	24.38	24.72
		(f)	Non-Current Tax Assets (Net)	14.05	2.46	173.44
		(g)	Other Non-Current Assets	29.64	20.65	16.10
			Total Non-Current Assets	**1,633.16**	**1,510.76**	**1,695.38**

Particulars				As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	2		**Current Assets**			
		(a)	Inventories	2,073.03	2,158.27	1,334.07
		(b)	Financial Assets			
		(i)	Trade Receivables	2,436.82	3,827.76	2,645.67
		(ii)	Cash and Cash Equivalents	110.45	312.50	215.74
		(iii)	Bank Balance Other than Above	63.67	133.51	198.98
		(iv)	Other Financial Assets	32.97	36.90	38.39
		(c)	Current Tax Assets (Net)	117.57	11.48	
		(d)	Other Current Assets	785.75	645.57	577.51
			Total Current Assets	**5,620.27**	**7,125.99**	**5,010.37**
			Total Assets	7,253.43	8,636.76	6,705.75
II			**EQUITY AND LIABILITIES**			
			Equity			
		(a)	Equity Share Capital	183.80	183.80	183.80
		(b)	Other Equity	3,996.75	3,747.97	3,222.29
			Total Equity	**4,180.55**	**3,931.77**	**3,406.09**
			Liabilities			
	1		**Non-Current Liabilities**			
		(a)	Financial Liabilities			
		(i)	Borrowings	24.29	93.04	199.17
		(ii)	Lease Liability	15.64	10.10	4.38
		(b)	Provisions	64.13	57.71	56.44
		(c)	Deferred Tax Liabilities (Net)	65.93	69.55	115.57
		(d)	Other Non-Current Liabilities			
			Total Non-Current Liabilities	**169.98**	**230.39**	**375.55**
	2		**Current Liabilities**			
		(a)	Financial Liabilities			
		(i)	Borrowings	709.72	957.07	588.35

Particulars				As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
		(ii)	Lease Liability	1.76	1.22	0.55
		(iii)	Trade Payables			
			- Dues of Micro and Small Enterprise	292.87	635.97	593.89
			- Dues of Other than Micro and Small Enterprise	976.62	2,203.95	1,248.09
		(iv)	Other Financial Liabilities	356.72	518.70	399.00
		(b)	Provisions	4.77	3.81	1.70
		(c)	Other Current Liabilities	560.45	153.88	59.23
		(d)	Current Tax Liabilities (Net)			33.28
			Total Current Liabilities	**2,902.90**	**4,474.60**	**2,924.10**
			Total Equity And Liabilities	**7,253.43**	**8,636.76**	**6,705.75**

Cash Flow Statement

Fig In Rs million

	Particulars	For the Year Ended March 31, 2023		For the Year Ended March 31, 2022		For the Year Ended March 31, 2021	
A	**CASH FLOW FROM OPERATING ACTIVITIES**						
	Net Profit & loss before tax as per profit & Loss Account		**322.47**		**823.42**		**1,112.46**
	Adjusted For :						
	Depreciation and Amortisation Expense	184.02		185.75		183.65	
	Misc. Exp. Written off.						
	Interest Income	(7.09)		(31.23)		(15.33)	
	Interest Expenses	113.70		114.04		123.54	
	Provision for Doubtful Debts	6.80		7.57		6.12	
	Re-measurement (gains) / loss on defined benefit plans	1.15		(3.73)		7.14	
	Bad debts written off						
	Unrealised exchange (gain)/loss (net)	43.35		27.35		(5.94)	
	Profit /Loss on sale of property, plant and equipment (net)	(1.44)		0.26		0.27	
			340.49		300.00		299.45
	Operating Profit Before Working Capital Changes		**662.96**		**1,123.42**		**1411.91**
	Adjusted For :						
	(Increase)/Decrease in Trade and Other Receivables	1,151.68		(1,255.87)		(1,431.73)	

	Particulars	For the Year Ended March 31, 2023		For the Year Ended March 31, 2022		For the Year Ended March 31, 2021	
	(Increase)/Decrease in Inventories	85.24		(824.20)		111.45	
	Increase/(Decrease) in Trade and other payables	(1,310.29)		1,220.73		1,544.66	
			(73.37)		(859.34)		224.38
	Net Cash Flow From Operating Activities		**589.59**		**264.08**		**1636.29**
	Income taxes (paid)/refund (net)	(202.73)		(94.12)		(224.25)	
			(202.73)		(94.12)		(224.25)
	Net Cash Flow From/(Used In) Operating Activities (A)		**386.86**		**169.95**		**1412.04**
B	**CASH FLOW FROM INVESTING ACTIVITIES**						
	Purchase of Property, Plant and Equipment	(234.40)		(208.77)		(124.92)	
	Purchase of Intangible Assets	(2.23)		(7.38)		(6.45)	
	Movement in Capital Work-in-Progress	(9.48)		1.55		(0.64)	
	Sale of Fixed Assets	45.47		46.45		5.85	
	Movement in Advance for Capital Goods	(2.08)		(0.70)		(0.28)	
	Interest Received	12.64		27.34		7.80	
	(Deposits)/Redemption with banks	69.84		65.47		120.14	
	Net Cash Flow From/(Used In) Investing Activities (B)		**(120.25)**		**(76.04)**		**1.50**
C	**CASH FLOW FROM FINANCING ACTIVITIES**						
	Proceeds from Long Term Borrowings					29.00	
	Repayment of Long term borrowings	(95.88)		(125.86)		(78.28)	
	Proceeds/(Repayment) from Short Term Borrowings (Net)	(220.23)		388.46		(1,092.41)	
	Dividend Paid	(36.76)		(147.04)		-	
	Interest Paid	(115.80)		(112.72)		(122.13)	
	Net Cash Flow From/(Used In) Financing Activities (C)		**(468.66)**		**2.84**		**(1263.83)**
	Net Change in Cash & Cash Equivalents (A+B+C)		(202.05)		96.76		149.71
	Cash & Cash Equivalents at the beginning of the year		312.50		215.74		66.04
	Cash & Cash Equivalents at the end of the period		**110.45**		**312.50**		**215.74**

Note

1. Figures in brackets represent Cash Outflow
2. Cash and Cash Equivalents of: (Rs in Million, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Cash in Hand	0.24	0.24	0.43
Balance with Scheduled Banks	68.42	218.19	57.01
Fixed Deposit with Maturity Less than three months	41.79	94.08	158.30
Total	**110.45**	**312.50**	**215.74**

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 as per the requirements under Indian Accounting Standard (*"Ind AS 24"*) notified under the Ind AS Rules read with Section 133 of the Companies Act, 2013, see "*Financial Information*", beginning on page 179.

RISK FACTORS

Investment in the Equity Shares involve a certain degree of risk. This Preliminary Placement Document contains certain forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Preliminary Placement Document. Prospective investors should carefully consider the following risk factors as well as other information included in this Preliminary Placement Document prior to making any decision as to whether or not to invest in the Equity Shares. If any particular risk or some combination of the risks described below actually occurs, our business, results of operation, financial condition and cash flows could be adversely affected, the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the risk factors below, we are not in a position to quantify the financial implications of any of the risks mentioned below. The risks described below are not the only ones relevant to us or our Equity Shares, the industry and segments in which we currently operate or propose to operate. We have described the risks and uncertainties that we currently believe to be material, but the risks set out in this Preliminary Placement Document may not be exhaustive or complete, and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or become material in the future.

*The financial and other related implications of the risk factors, wherever material and quantifiable, have been disclosed in the risk factors mentioned below. If the financial impact is not quantifiable, they have not been disclosed in such risk factors. To obtain a complete understanding of our Company, this section should be read together with "**Industry Overview**", "**Our Business**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 93, 111 and 73, respectively, as well as the financial statements, including the notes thereto, and other financial, statistical and other information contained in this Preliminary Placement Document. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. Prospective investors should consult their own tax, financial and legal advisors about the particular consequences to them of an investment in our Equity Shares.*

Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12-month period ended March 31 of that year. Unless otherwise indicated or the context otherwise requires, the financial information included in this section for Fiscal 2021, 2022 and 2023 has been derived from our Audited Consolidated Financial Statements beginning on page 179. The financial information included in this section as of and for the nine months ended December 31, 2022 and 2023 has been derived from our Unaudited Consolidated Financial Results beginning on page 179. For further information, see, "Financial Information" on page 179. The Unaudited Consolidated Financial Results of our Company are not indicative of our Company's annual performance and are not comparable with the Audited Consolidated Financial Statements.

Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to Shakti Pumps (India) Limited on a standalone basis, and references to "we", "us", "our", are to Shakti Pumps (India) Limited on a consolidated basis.

Unless otherwise indicated, industry and market data used in this section has been derived from TechSci Report which has been exclusively commissioned by and paid for by us in connection with the Issue. There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the TechSci Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

Internal Risk Factors

1. ***We are significantly dependent on our government clients who contribute 64.40%, 69.14%, 58.33% and 53.90% of our revenue from operations in Fiscal 2023, 2022 and 2021, and nine months ended December 31, 2023, respectively.***

Our government clients may face budget shortfalls that may limit their overall demand for our products. Further, any change in the policies adopted by governments regarding award of projects, eligibility for bidding or in our existing relationships with governments could adversely affect our ability to win such projects. Any adverse changes in government policies may lead to our agreements being restructured or renegotiated which could adversely affect our financing, capital expenditure plans, asset utilization, revenues, cash flows or operations relating to our existing projects as well as our ability to participate in competitive bidding or negotiations for our future projects.

We do not have firm commitment long-term supply agreements with our customers and instead rely on purchase orders and forecasts to govern the volume and other terms of our sales of products. Many of the sales orders we receive from our customers specify a price per unit and delivery schedule, and the quantities to be delivered are determined closer to the date of delivery. However, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, it may adversely impact our production schedules and inventories.

Further, we do not typically have exclusivity arrangements with our customers. Consequently, there is no commitment on the part of the customers to continue to place new work orders with us and as a result, our sales from period to period may fluctuate significantly as a result of changes in our customers' vendor preferences and we may be unable to procure repeat orders from our customers. The short-term nature of our customers' commitments may affect our ability to accurately estimate their future requirements.

Cancellation by customers or delay or reduction in their orders or instances where anticipated orders fail to materialize can result in mismatch between our inventories of raw materials and of manufactured products, thereby increasing our costs relating to maintaining our inventory and reduction of our margins, which may adversely affect our profitability and liquidity.

We may not find any customers or purchasers for the surplus or excess capacity, in which case we would be forced to incur a loss. Further, our inability to find customers for surplus products may result in excessive inventories which may become outdated and may be required to be written off in the future. While such instances have not occurred in the past, there can be no assurance that we will not face such instances in future.

Additionally, any failure to meet our customers' expectations could result in the cancellation or non- renewal of contracts or purchase orders. There are also several factors, other than our performance that could cause the loss of a customer. Customers may demand price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates, or replace their existing products with alternative products, any of which may have an adverse effect on our business, financial condition, results of operations and prospects.

2. ***We may not be successful in bidding for and winning bids for solar water pumps EPC projects to grow our business.***

The government through various schemes open tender for solar companies to bid under the different category of solar installation schemes. In addition to our solar PV module supply, our business performance and growth also depends on our ability to continually win bids for solar water pumps EPC projects. Our company secures projects by submitting bids in government-issued tenders. If we win the tender, we proceed to install the AC/DC water pump in the designated land area. Our Company may face difficulties in successfully bidding for and winning contracts in the solar water pumps EPC projects segment. The solar industry is highly competitive, and securing projects often demands not only competitive pricing but also a strong track record, technical expertise, and an understanding of evolving market trends. By critically evaluating our bidding strategies, enhancing our technical capabilities, and building strategic partnerships, we can work towards overcoming these challenges and progressively grow our business within the solar sector. However, we cannot give assurance that in future we will able to win bids for solar water pumps.

3. ***Volatility in the supply and pricing of our raw material may have an adverse effect on our business, financial condition and results of operations. Our raw material suppliers could fail to meet their obligations, which may have a material adverse effect on our business, results of operations and financial condition.***

The principal raw material used in our manufacturing process include copper, cast iron, carbon, steel and steel based raw materials. Our cost of raw materials consumed, after changes in inventories of finished goods and work in progress for the Fiscals 2023, 2022, 2021 and nine months ended December 31, 2023 was ₹ 7,433.66 million, ₹ 9,046.45 million, ₹ 6,566.83 million and ₹ 5285.13 million, respectively which represents 76.82%, 76.76%, 70.64% and 69.41% of our revenue from operations, respectively. Raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, tariff disputes, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. For example, our primary raw material, which is steel, has high volatility in pricing, therefore not buying the raw material at suitable prices can have an adverse effect on our profitability, discontinuation of such supply or a failure of these suppliers to adhere to the delivery schedule or the required quality could hamper our production schedule and therefore affect our business and results of operations.

In the event the cost of raw materials and components increases after we enter into contracts with our customers and if we are not able to pass on such price increase to our customers, we would be forced to absorb such increases. Any such absorption of increased costs would cause a material adverse impact on our financial position.

4. ***Majority of our state wise revenues from operations for the last 3 years is dependent majorly on Rajasthan, Haryana, Maharashtra, Uttar Pradesh and Chhattisgarh. Any adverse developments affecting our operations in these states could have an adverse impact on our revenue and results of operations.***

Our domestic sales are majorly sourced from Rajasthan, Haryana, Maharashtra, Uttar Pradesh and Chhattisgarh. Such concentration of orders these states may have an adverse effect. Further, drastic change in taxes and other levies imposed by any of these State Governments as well as other financial policies and regulations, political and deregulation policies, if changed, could harm business and economic conditions. However, the composition and revenue generated from various states might change as we continue to add new customers in the different parts of India.

5. ***The Company has not complied with the PIT Regulations, 2015 and a monetary penalty of ₹ 2,00,000 was imposed by SEBI by its order dated December 1, 2022.***

The Company had received a show cause notice dated September 12, 2022 from the SEBI ("**SCN**") in respect of violation of provisions of clause 10 of the Code of Conduct under PIT Regulations, for the period March 27, 2018 to October 17, 2018. The Company had responded to the SCN by a response stating that (i) the Company has formed the code of conduct and prepared the list of designated employees as per rules and practice which includes top three levels of company management (ii) inadvertently junior level employees were included in the list of designated employees and (iii) the Company has taken stringent measures to keep proper eye on each person falling within the definition of insider and will comply with all rules and regulations in future. The matter was heard and an order dated December 1, 2022 the Adjudicating Officer imposed a penalty of ₹ 0.20 million under Section 15 HB of SEBI Act, 1992 due to violation of PIT Regulations. Our Company has filed an appeal against the order of the Adjudicating Officer before the Securities Appellate Tribunal. For further details, see "*Legal Proceedings – Litigation against our Company - Actions taken by regulatory and statutory authorities*" on page 171.

Except as stated above and under "*Legal Proceedings – Litigation against our Company - Actions taken by regulatory and statutory authorities*", there are no instances of any other non-compliances under SEBI regulations. Further, there can be no assurance that there will be not be any such non-compliance in the future. In case of such non-compliance of applicable laws in future by the Company, the business, reputation and market price of our Company may be adversely affected.

6. ***We rely on the continued operations of our manufacturing facilities and any slowdown, shutdown or disruption in our manufacturing facilities may materially and adversely effect on business, results of operations and financial condition.***

Our business is dependent on our manufacturing capabilities. As on the date of this Preliminary Placement Document, we manufacture our products at 3 manufacturing facilities located in Pithampur, Indore, Madhya Pradesh, of which one is located in Special Economic Zone. As of and for nine months ended December 31, 2023, our manufacturing facilities collectively have a manufacturing capacity of 500,000 pumps and motors, , inverters / VFD's of 2,00,000 units, and structures of 1,00,000 units annually. For further information, see "*Our Business – Manufacturing Facilities*" on page 111. In addition, we believe we are not able to manufacture more products due to the lack of liquidity / funds.

Our business is dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks, including political instability, productivity of our workforce, compliance with regulatory requirements, difficulties with production costs and yields, product quality and those beyond our control, such as the breakdown and failure of equipment or industrial accidents, disruption in electrical power or water resources, severe weather conditions, natural disasters and an outbreak of any pandemic such as COVID-19. Any significant social, political or economic disruption or natural calamities or civil disruptions or changes in the policies of the state government could require us to incur significant capital expenditure, change our business strategy and may have a material effect on our business, results of operations, financial condition and cash flows.

Further, the obsolete or outdated machinery and equipment that may have surpassed their optimal lifespan may affect our operational efficiency and productivity, resulting in prolonged production cycles and decreased overall productivity. Additionally, older machinery may lack the capacity and flexibility needed to adapt to changes in production volume or shifts in market demand. This may hinder our ability to scale operations efficiently and respond swiftly to market dynamics.

Any significant malfunction or breakdown of our machinery and equipment may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair machinery and equipment in a timely manner or at all, our operations may need to be suspended until we procure the appropriate machinery and equipment, to replace them and there can be no assurance that the machinery and equipment will be procured and/or integrated in a timely manner. We also release some hazardous substances from our plants.

Operating certain machinery and processes in our manufacturing facilities involve risk of accidents and personal injuries. While we employ safety procedures in the operation of our manufacturing facilities, these hazards can cause personal injury and loss of life, catastrophic damage or destruction of property and equipment as well as environmental damage, which could result in a suspension of operations and the imposition of civil or criminal liabilities. The loss or shutting down of our facilities could disrupt our business operations and adversely affect our results of operations, financial condition and reputation. Also, the costs to defend any litigation, claims or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, reputation, financial condition, results of operations, cash flows and prospects.

In addition, we depend on our suppliers and other partners to provide the necessary equipment and services that we will need for our continuing operations, including remedy significant malfunction or breakdown. Our inability to continue to obtain equipment and enter into contracts with our suppliers in a timely manner, or at all, could adversely affect our business and results of operations.

7. ***Our proposed capacity expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns.***

Based on the expected potential growth in the manufacture and sale of engineered pumps, industrial pumps and solar pumps and the increase in demand for our products in the recent years, we anticipate an increase in the production capacity. In order to support our growth strategy, we are in the process to set up one manufacturing facility at Pithampur, Madhya Pradesh. For further information, see – "*Use of Proceeds*" on page 63.

Our Company has experienced significant growth in the demand for its products and services. Hence, our Company has to maintain adequate capacity to meet the growing demand. In order to provide focussed services to our customers, our Company has proposed to expand certain of its existing facilities. Our Company believes that expansion of current facilities would be beneficial for our Company and our Shareholders.

As we continue our growth by expanding our existing manufacturing facilities and constructing new manufacturing facilities, we may encounter regulatory, personnel and other difficulties that may increase our expenses and reduce our profitability. Problems that could adversely affect our expansion plans include labour shortages, issues with procurement of equipment or machinery, increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facilities, delays in completion, defects in design or construction of our future manufacturing facilities, the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, incremental pre-operating expenses, taxes and duties, interest and finance charges, working capital margin, environment and ecology costs and other external factors which may not be within the control of our management. There can be no assurance that the proposed capacity additions and expansions will be completed as planned or on schedule, and if they are not completed in a timely manner, or at all, our budgeted costs and investments may be insufficient to meet our proposed capital expenditure requirements. Further, the estimated schedule completion dates are based on estimates and we cannot assure you that such proposed manufacturing facilities will start production on schedule. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. Although we have not experienced any significant cost overruns in the past, we cannot assure you that we will not experience cost overruns in relation to our proposed manufacturing facilities in the future.

There can be no assurance that such plans will be successfully implemented or completed or that if completed, they will result in the anticipated growth in our revenues or improvement in the results of operations we anticipate from the implementation of such initiatives. We cannot assure you that we will be able to completely utilize, in part or full, the proposed expansion of the installed capacities of our manufacturing facilities. Our projected requirements for infrastructure investments may also vary from actual levels if anticipated sales growth does not materialize or varies significantly from our projections. Such investments are generally long term in nature and it is possible that investments may not generate the returns we expect. Significant changes from our expected returns on manufacturing facility equipment, technology support systems and supply chain infrastructure investments could have an adverse effect on our results of operations, cash flows and financial condition.

8. ***Our Order Book may not be representative of our future results and our actual revenue may be significantly less than the estimates reflected in our Order Book, which could adversely affect our business, financial condition, results of operations and future prospects.***

Our Order Book comprises the estimated revenues from the unexecuted portions of our existing contracts. Further, the Order Book is calculated on the basis of aggregate contract value of our ongoing and upcoming contracts. For the purpose of calculating the Order Book, we do not take into account any change in scope of work of our ongoing projects, or the work conducted by us in relation to any such change in scope of work of such projects. The manner in which we calculate and present the Order Book is therefore not comparable to the manner in which our revenue from operations is accounted.

In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed. We cannot guarantee that the income anticipated in our Order Book will be realized, or, if realized, will be realized on time or result in profits. Any project cancellations or scope adjustments, which may occur from time to time, could reduce the amount of our Order Book and the income and profits that we ultimately earn from the contracts.

9. ***We have not taken any steps to order the machinery/equipment required for the proposed facility. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment / machineries in a timely manner, or at all, the same may result in time and cost over-runs.***

Our company intends to utilize a portion, *i.e.*, amount of ₹1,500 million out of the Net Proceeds for funding capital expenditure requirements for the purchase of equipment/machineries and other construction works for proposed facility. While we have procured quotations from various vendors in relation to the capital expenditure to support our expanding operations, we have not placed any firm orders for any of them. For further details, please see "*Use of Proceeds*" on page 63. Such quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. We cannot assure you that we will be able to undertake such capital expenditure at the cost associated by such quotations or that there will not be cost escalations over and above the contingencies proposed to be funded out of the Net Proceeds. Further, the actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes and technological changes. Due to the above factors, if we are unable to commence the new manufacturing facility within our estimated time frames, we may be unable to expand our business. Accordingly, there can be no assurance that we will complete any proposed expansion or upgradation in a timely manner.

10. ***There may be variance in projected utilization of our production capacities due to changing market dynamics and unforeseen events which may have a material adverse effect on our Company's financial condition, results of operations, and prospects.***

Our Company's projected utilization of our future production capacities are based on historical data and certain assumptions based on prevailing supply and demand factors. Accordingly, any issues in availability/ delivery of raw materials, logistical breakdowns, component procurement delays, labour strikes, government announcements of reduction in volumes, decrease in estimated Order Book and similar factors can cause reduction in projected production levels. Consequently, this causes underutilization of our production capacities and decrease in our sales. Hence, these assumptions are inherently uncertain and may not accurately reflect future operating conditions. Factors such as changes in market demand, technological advancements and unforeseen events such as wars, epidemics and environmental issues could result in significant variations from the projected utilization levels. Furthermore, reliance on historical data does not account for potential disruptions or shifts in market dynamics that may impact production capacities. In the event that actual procurement, utilization or demand deviates from projected levels, we cannot assure you that we will be able to effectively manage the same and it could have a material adverse effect on our Company's financial condition, results of operations, and prospects.

11. ***Our business is manpower intensive. Our business may be adversely affected by work stoppages, increased wage demands by our employees, or increase in minimum wages across various states, and if we are unable to engage new employees at commercially attractive terms.***

The success of our operations depends on availability of labour and maintaining a good relationship with our workforce. Our success also depends on our ability to attract, hire, train and retain skilled workers. There can be no assurance that we will not experience any such disruption in the future as a result of disputes or disagreements with our work force, which may adversely affect our ability to continue our business operations. Further, a significant increase in our employee attrition rate could also result in decreased operational efficiencies and productivity, loss of market knowledge and customer relationships, and an increase in recruitment and training costs, thereby materially and adversely affecting our business, results of operations and financial condition. Any labour unrest experienced by us could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. In the event of any prolonged delay or disruption our business, results of operations and financial condition could be materially and adversely affected. Further, the minimum wage laws in India may be amended leading to upward revisions in the minimum wages payable in one or more states in which we currently operate or are planning to expand to. We may need to increase compensation and other benefits in order to attract and retain key personnel in the future and that may materially affect our costs and profitability. As on the date of this Preliminary Placement Document, our Company is involved in a total of 19 labour related dispute which are pending before various forums.

12. ***We are reliant on the demand from various industries or sectors such as agriculture, commercial, industrial and others for our revenues and growth. Any downturn in these industries or sectors could have an adverse impact on our business, growth and results of operations.***

The manufacture and sale of engineered pumps, industrial pumps and solar pumps are heavily reliant on demand from agriculture, commercial, industrial and others. These industries or sectors are, in turn, affected by macro-economic factors and the general Indian economic conditions.

The table below sets forth our revenue from operations across the various end-use industry or sector verticals we serve for the periods indicated:

Industry/Sector	**Fiscal**					
	2021		**2022**		**2023**	
	Amount (₹ million)	**Percentage of Revenue from Operations (%)**	**Amount (₹ million)**	**Percentage of Revenue from Operations (%)**	**Amount (₹ million)**	**Percentage of Revenue from Operations (%)**
Customers under Government Projects	5,422.65	58.33%	8,148.42	69.14%	6,232.00	64.40%
Exports	1,800.16	19.36%	1,851.12	15.71%	2,325.41	24.03%
Industrial Customers	174.79	1.88%	155.20	1.32%	158.98	1.64%
OEM Customers	859.00	9.24%	312.30	2.65%	113.40	1.17%
Other Customers	1,040.01	11.19%	1318.31	11.19%	847.04	8.75%
Total	9,296.61		11,785.35		9,676.83	

Any future downturn in demand of our products could have an adverse effect on our business, results of operations and financial condition.

13. ***Our Promoters will continue to collectively hold majority of the shareholding in our Company, which will allow them to influence the outcome of matters requiring shareholder approval.***

As on the date of this Preliminary Placement Document, our Promoters collectively hold 56.22% of the issued and paid up share capital of our Company on a fully diluted basis. After the completion of the Issue, our Promoters will continue to collectively hold substantial shareholding in our Company, and will continue to exercise significant influence over our business policies and affairs and all matters requiring Shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders. In addition, the trading price of the Equity Shares could be materially adversely affected if potential new investors are disinclined to invest in us because they perceive disadvantages to a large shareholding being concentrated in the hands of our Promoter. For further information, see *"Shareholding Pattern of our Company"* on page 130.

14. ***We face competition in our business from domestic competitors. Such competition would have an adverse impact on our business and financial performance.***

The industry in which we operate is highly and increasingly competitive and our results of operations and financial condition are sensitive to, and may be materially adversely affected by, competitive pricing and other factors. Competition may result in pricing pressures, reduced profit margins or lost market share or a failure to increase our market share, any of which could substantially harm our business and results of operations. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition, and results of operations.

15. ***Some of the corporate records pertaining to the issuance of shares and change in registered office of our Company are not traceable.***

We are unable to trace Form-2 filed by our Company with the RoC in relation to the allotment of Equity Shares pursuant to the initial public offer of the Equity Shares by our Company on January 15, 1996, challans in respect of certain Forms-2 filed by our Company with the RoC in relation to issuance of Equity Shares on January 15, 1996, March 30, 2007, July 31, 2007, March 31, 2008, June 21, 2008, July 28, 2011 and October 11, 2012, and challan in respect of the Form-18 filing for change of our registered office from (i) 226, Shastri Market, M. G. Road, Indore to Plot No. 1, Sector – A, Mhow Neemuch Road, Pithampur with effect from November 11, 1995 and (ii) Plot No. 1, Sector – A, Mhow Neemuch Road, Pithampur to Plot No. 401, 402 & 413, Sector 3, Industrial Area, Pithampur - 454774. While it is unlikely to have a material financial impact on us, we cannot assure you that these form filings were made in a timely manner or at all. Further, we cannot assure you that we will not be subject to any penalties imposed by the competent regulatory authority in connection with these corporate records or filings. While no disputes or regulatory actions have arisen in connection with these filings, we cannot assure you that no such actions will be initiated in the future.

16. ***We have contingent liabilities as at December 31, 2023 which, if they materialize may adversely affect our results of operations, financial condition and cash flows.***

As of December 31, 2023, our contingent liabilities and commitments are follows:

(*in Rs. million*)

Particulars	As of December 31, 3023
Unexpired Letter of Credit	1761.61
Bank Guarantee	1813.38
Commercial Tax Demand under Dispute	2.83
Income Tax Demand Under Dispute	77.39
Custom Duty Demand Under Dispute	25.28
Less : Provision for Doubtful	(28.05)
Total	**3652.44**

If any of these contingent liabilities materialise, we may have to fulfil our payment obligations, which may have an adverse impact on our cash flows, financial conditions, and results of operations. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" and "*Financial Information*" on page 73 and 179, respectively.

17. ***All of our manufacturing facilities are located on industrial land allotted to us by industrial development corporations or leased premises. Failure to comply with the conditions of use of such land could result in an adverse impact on our business and financial condition.***

All of our manufacturing facilities are located on industrial lands which are held by us on a leasehold basis. We are required to pay a security deposit, specified monthly rentals and common area maintenance charges for the duration of our lease agreements, subject to periodic escalations at agreed rates. These lease agreements may be terminated in accordance with their respective terms, and any termination or non-renewal of such leases could adversely affect our operations. Further, we are in the process of shifting our corporate office to Plot No. C-04, Silver Spring Township, Phase 2, Business Park, A. B. Road bypass, Nayta Mundla, Indore, Madhya Pradesh – 452020, and we have already executed a lease agreement in this respect. For further information, see "*Our Business – Manufacturing Facilities*" and "*Our Business – Properties*" on page 117 and 121.

Inability to renew such agreement or retain the leasehold right or attain the ownership rights may affect our business operations. In addition, the terms of these lease agreements require us to obtain the prior consent of the lessor for certain actions , which may be a future requirement as to our business operations. In the event that we fail to meet these conditions, we would be required to pay a penalty or revised cost of land as decided by the lessor from time to time. Moreover, there can be no assurance that we will be able to retain or renew such leases on same or similar terms, or that we will find alternate locations for the manufacturing facilities and/or existing offices on terms favourable to us, or at all.

18. *Any disruption in our distribution network including disruptions in supply and transport of raw materials and finished products will adversely affect our business and results of operations.*

Our suppliers either deliver our raw materials to us or we are required to collect them from our suppliers, depending on the contract terms, at our own costs. Our raw materials are transported to our facilities and our products are transported to our customers by road primarily through cargo trucks. Transport of our raw materials and finished products is subject to various factors beyond our control, including poor infrastructure, unavailability of adequate port and shipping infrastructure for transportation, accidents, adverse weather conditions, strikes and civil unrest, which may adversely affect our business and results of operations. On account of the operating restrictions/ lockdown consequent to outbreak of COVID-19 pandemic temporarily affected our ability to supply and transport our raw materials and finished products to our customers within India and outside India. There can be no assurance that any such disruption will not occur in the future as a result of these factors and that such disruptions will not be material.

Transportation strikes have had in the past, and could have in the future, an adverse effect on our Company’s receipt of raw materials and/or supplies and its ability to deliver the finished products. In addition, transportation and freight costs have been steadily increasing. While we have not experienced any company specific disruptions in the past, any significant disruption in the distribution network could have a significant impact on our business and results of operations.

19. *Any failure in our information technology systems and/ or enterprise resources planning systems could adversely affect our business.*

The efficient operation of our business depends on our IT infrastructure and our enterprise resources planning systems. Our IT infrastructure comprises of third-party solutions and applications maintained internally. The size and complexity of our computer systems make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. We cannot assure you that we will not encounter such disruptions in the future that may impact our operations. Any such disruption may result in the loss of key information and disruption of production and business processes, which could adversely affect our business, results of operations and cash flows.

In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. Such data security breaches could lead to the loss of trade secrets or other intellectual property or could lead to the public exposure of personal information (including sensitive personal information) of our employees and customers. Any such security breaches could have an adverse effect on our business, reputation, results of operations, cash flows and financial condition.

20. *Changes in technology may render our current technologies obsolete or require us to make substantial investments.*

Modernization and technology upgradation is essential to reduce costs and increase the output. Our technology and machineries may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that we have installed updated technology, we shall continue to strive to keep our technology, plant and machinery in line with the latest technological standards. In case of a new found technology in the industry in which we operate, we may be required to implement new technology or upgrade the machineries and other equipment employed by us. Further, the costs in upgrading our technology and modernizing the plant and machineries are significant which could substantially affect our finances and operations.

21. *Any damages caused by fraud, theft or other misconduct by our employees could adversely affect our profitability, results of operations and cash flows.*

Although we supervise our employees and workmen to prevent illegal and unethical behaviour, fraud, data theft or other misconduct of employees, we run the risk that such employee misconduct could occur. We may be subject to substantial financial losses and damage to our reputation and loss of business from our customers, owing to such employee misconduct. Such misconduct could also involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious reputational or financial harm, including harm to our brand/goodwill. We cannot assure you that we will always be able to deter employee misconduct and the precautions taken and systems put in place to prevent and detect such activities. Such instances of employee misconduct could have material adverse impact on our profitability, results of operations and cash flows.

22. ***We are subject to various law and regulations, in jurisdictions where we operate, including environmental and health and safety laws and regulations, which may subject us to increased compliance costs, which may in turn result in an adverse effect on our financial condition.***

Our operations are subject to various national, state and local laws and regulations relating to the protection of the environment and occupational health and safety. For instance, we require certain material approvals including approvals under the Water (Prevention and Control of Pollution) Act, 1974, as amended, the Air (Prevention and Control of Pollution) Act, 1981, as amended and the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, as amended in order to establish and operate our manufacturing facilities and registrations with the relevant tax, labour and municipal authorities.

We are also required to obtain and comply with environmental permits for certain of our operations. There can be no assurance that the relevant authorities will issue such permits or approvals in the timeframe anticipated by us or at all. A majority of these approvals are granted for a limited duration. We cannot assure you that our applications for renewal of these approvals will be issued or granted to us in a timely manner, or at all. Failure by us to renew, maintain or obtain the required permits or approvals may result in the fines or otherwise and interrupt our operations and may have a material adverse effect on our business, financial condition, results of operations and cash flows.

While as of the date of this Preliminary Placement Document, we are not subject to any environmental legal proceedings, we may be impleaded in such legal proceedings in the course of our business. Such legal proceedings could divert management time and attention, and consume financial resources in defense or prosecution of such legal proceedings or cause delays in the construction, development or commencement of operations of our projects. No assurance can be given that we will be successful in all, or any, of such proceedings.

23. ***Our Company, Subsidiaries, Promoters and Directors are or may be involved in certain legal and regulatory proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, financial condition, cash flows and results of operations.***

There are certain material outstanding legal and regulatory proceedings involving our Company, Subsidiaries, Promoters and Directors which required a disclosure in this Preliminary Placement Document. Further, we cannot assure you that future proceedings, if any, will be settled in favour of our Company, Subsidiaries, Promoters or Directors, respectively, or that no additional liability will arise out of these proceedings. An adverse outcome in any of these proceedings may have an adverse effect on our business, financial position, prospects, results of operations and our reputation. For further information, see "*Legal Proceedings*" on page 170.

24.***Our Promoters, certain of our Directors, Key Managerial Personnel and Senior Managerial Personnel may have interests other than reimbursement of expenses incurred and normal remuneration or benefits.***

Our Promoters, certain of our Directors, Key Managerial Personnel and Senior Managerial Personnel, while managing the day-to-day operations, may be interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their, their relatives and their company's shareholding in our Company, payment of dividend or distributions thereon. Further, certain of our Directors are also directors on the boards of our Subsidiaries and may be deemed to be interested to the extent of any remunerations/reimbursement received in this regard. For the payments that are made by our Company to related parties including remuneration to our Directors, and our Key Managerial Personnel, see "*Board of Directors and Senior Management*" on page 122. We cannot assure you that our Promoters, Directors, Key Managerial Personnel and Senior Managerial Personnel will exercise their rights to the benefit and best interest of our Company. As Shareholders of our Company, our Promoters, Directors, Key Managerial Personnel and Senior Managerial Personnel, may take or block actions with respect to our business which may conflict with the interests of the minority shareholders of our Company.

25. ***Our Company has unsecured loans that may be recalled by the lenders at any time and our Company may not have adequate funds to make timely payments or at all.***

Our Company has availed unsecured loans, which may be recalled at any time. As of February 29, 2024, such loans availed by our Company amounted to ₹ 57.20 million. Such loans may not be repayable in accordance with any agreed repayment schedule and may be recalled at any time. In the event that any lender seeks repayment of any such unsecured loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. As a result, any such demand may materially and adversely affect our business, cash flows, financial condition and results of operations.

26. ***Certain sections of this Preliminary Placement Document disclose information from the TechSci Report which is a paid report and commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.***

We have availed the services of an independent third-party research agency, New Age TechSci Research Private Limited, appointed by our Company to prepare an industry report titled *"Indian Pumps Industry Overview "* dated March 11, 2024 ("**Report**"), for purposes of inclusion of such information in this Preliminary Placement Document to understand the industry in which we operate. Our Company, our Promoters, and our Directors are not related to New Age TechSci Research Private Limited. This Report has been commissioned by our Company exclusively in connection with the Issue for a fee. The Report is subject to various limitations and based upon certain assumptions that are subjective in nature. Further the commissioned report is not a recommendation to invest or divest in our Company. Prospective investors are advised not to unduly rely on the commissioned report or extracts thereof as included in this Preliminary Placement Document, when making their investment decisions.

27. ***We are exposed to counterparty credit risk. Any delay in receiving payments or non-receipt of payments may adversely impact our results of operations.***

Due to the nature of, and the inherent risks in, the agreements and arrangements with our customers, we are subject to counterparty credit risk and a significant delay in receiving large payments or non-receipt of large payments may adversely impact our results of operations. Our operations involve extending credit to our customers in respect of sale of our products and consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. Consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. As a result of such industry conditions, we have and may continue to have high levels of outstanding receivables.

The table below sets forth details of our trade receivables as of the dates indicated:

Particulars	**As of March 31,**		
	2021	**2022**	**2023**
Trade Receivables (₹ million)	2,645.68	3,827.76	2,436.82
Trade receivables as a percentage of revenue from operations	28.46%	32.48%	25.18%
Provision for ECL (₹ million)	2.75	10.32	10.75

There is no assurance that we will accurately assess the creditworthiness of our customers. Further, macroeconomic conditions which are beyond our control, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause our customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables. While there have not been instances of such delay, modification of payment terms or default in payment obligations that have had a material impact on our operations, there can be no assurance that such instances will not occur in future. Timely collection of dues from customers also depends on our ability to complete our contractual commitments and subsequently bill for and collect from our clients. If we are unable to meet our contractual obligations, we may experience delays in the collection of, or be unable to collect, our customer balances, which could adversely affect our results of operations and cash flows.

28. ***Unforeseen environmental costs could affect our future earnings as well as the affordability of our products and services.***

Environmental laws and regulations in India impose increasingly stringent environmental protection standards on us regarding, among other things, the use and handling of waste or materials and waste disposal practices. These standards expose us to the risk of substantial environmental costs and liabilities, including liabilities associated with past activities. Our industrial activities are subject to obtaining permits, licenses and/or authorisations, or subject to prior notification. Our facility must comply with these permits, licenses or authorisations and are subject to regular administrative inspections. The outcome of environmental, health and safety matters cannot be predicted with certainty and there can be no assurance that we will not incur any environmental, health and safety liabilities in the future. In addition, the discovery of new facts or conditions or future changes in environmental laws, regulations or case law may result in increased liabilities that could have a material effect on our business, financial condition and results of operations.

29. ***An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.***

Our operations are subject to various risks inherent in the manufacturing industry including defects, malfunctions and failures of manufacturing equipment, fire, riots, strikes, explosions, accidents and natural disasters. We maintain insurance against various risks that our business may face. We maintain insurance for, among other things, fire and burglary, vehicles and marine insurance.

Our insurance may not be adequate to completely cover any or all of our risks and liabilities. Further, there is no assurance that the insurance premiums payable by us will be commercially viable or justifiable. While we have made certain insurance claims in the past, we cannot assure you that, in the future, any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses.

Our inability to maintain adequate insurance cover in connection with our business could adversely affect our operations and profitability. To the extent that we suffer loss or damage as a result of events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further information on our insurance arrangements, see "*Our Business – Insurance*" on page 120.

30. ***We may not successfully protect our technical know-how and patents, which may result in the loss of our competitive advantage.***

We have 11 (eleven) patents registered in India and one patent registered in the US. Additionally, we have developed a range of technical know-how relating to the manufacturing process of our products. This knowledge base has enhanced our ability to manage our manufacturing costs and improve our product quality to compete more effectively. Certain proprietary knowledge may be leaked, either inadvertently or wilfully, at various stages of the manufacturing process. A significant number of our employees have access to confidential design and product information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our competitors. If the confidential technical information in respect of our patents, products or business becomes available to third parties or to the public, any competitive advantage we may have over our competitors could be impacted adversely. Any leakage of confidential technical information could have a material adverse effect on our business, results of operations, financial condition, cash flows and/or prospects.

There can be no assurance that third parties will not infringe upon our intellectual property, causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect its intellectual property.

31. ***Our operations are dependent on research and development ("R&D") thus our inability to introduce new products and respond to changing customer preferences in a timely and effective manner, may have an adverse effect on our business, results of operations and financial condition.***

R&D is integral to our business as we are focused on developing customized products and differentiated process technologies, and our R&D is at the forefront of our innovations. Our R&D centre has been Recognised from Department of Scientific and Industrial Research until 31 March 2026. The company has received this recognition in 2018 which was valid till 31 March 2020, which got renewed till 31 March 2023. As of February 29, 2024, our research and development team comprised of experts holding doctorate and master's degree in technology (from institutions such as IISc, IITs and NITs) and others which enable us to design and develop innovative products. Our success may depend in part on our ability to respond to technological advancement and emerging standards, and practices on a cost-effective and timely basis. To accomplish this, we commit substantial effort, funds and other resources towards our R&D activities and have set-up a dedicated R&D

centre in Madhya Pradesh.

Further, we believe that continuous R&D is critical to our continued growth and business prospects and we expect to continue deploying significant resources, including financial resources towards R&D. If we are unable to continuously develop new products or optimise our processes, our ability to grow or compete effectively, might be compromised, which would have an adverse impact our business and financial condition. For Fiscal 2023, Fiscal 2022 and Fiscal 2021, our total expenditure for R&D activities (capital and revenue expenditure) was ₹ 36.56 million, ₹ 45.25 million, ₹ 33.01 million.

32. ***We appoint contract labour for carrying out certain of our ancillary operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations, cash flows and financial condition.***

In order to retain flexibility and control costs, we appoint independent contractors with whom we enter into formal contracts who in turn engage on-site contract labour for performing certain of our ancillary operations, including, assisting in civil, mechanical and electrical related works and housekeeping activities. The numbers of contract labourers vary from time to time based on the nature and extent of work contracted to independent contractors. Although we do not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractors.

33. ***We enter into certain related party transactions in the ordinary course of our business and we cannot assure you that such transactions will not have an adverse effect on our results of operation and financial condition.*** We have entered into transactions with related parties in the past and from, time to time, we may enter into related party transactions in the future. For further information, see "*Financial Information*" on page 179. These transactions principally include, purchases and sale of products to the Subsidiaries. While all such transactions have been conducted on an arm's length basis, in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transaction, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into additional related party transactions in the future subject to compliance with the SEBI Listing Regulations and other statutory requirements. Further, except as disclosed in "*Financial Information"* beginning on page 179, neither our Company nor our Subsidiaries have provided any loan or advances or given any guarantees or any form of securities to related parties during the last three Fiscals.

For Fiscal 2021, 2022 and 2023, the aggregate amount of such related party transactions was ₹649.88 million, ₹774.36 million, ₹ 670.40 million, respectively. The percentage of the aggregate value of such related party transactions to our revenue from operations for Fiscal 2021, 2022 and 2023 was 7.07%, 6.57%, 6.93%, respectively.

We cannot assure you that these arrangements in the future, or any future related party transactions that we may enter into, individually or in the aggregate, will be at arm's length or will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects or may potentially involve any conflict of interest.

34. ***We have obtained various quality certifications for our products. Our inability to renew such accreditations in a timely manner may have an adverse impact on our business.***

Our operations comply with global standards and our facilities at the Registered and Corporate Office and our manufacturing plant at SEZ F-14, F-15 are certified with ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. For details of our certifications, see "*Our Business - Quality Control, Testing and Certifications*" on page 111.

In the event we are unable to renew our certifications in a timely manner, it may have an adverse impact on our business and reputation.

35. ***We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, accelerated repayment schedule, enforcement of security and suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows.***

Some of the financing arrangements entered into by s include conditions that require our Company to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions. As of February 29, 2024, we had total borrowings (consisting of non-current borrowings and current borrowings) of ₹ 2,109.27 million. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Some of the corporate actions that require prior consents from certain lenders include, amongst others, changes to the (a) capital structure of our Company, (b) Company's constitution documents including amending the memorandum of association and articles of association of the Company, (c) management set-up of our Company, (d) formulation of any scheme of expansion, modernisation, diversification, amalgamation or reconstruction, (e) merger, de-merger, amalgamation, acquisition, buy - back, re-organization and/or disposition of assets of the Company, (f) investing by way of share capital or advancing funds to other entities forming part of our group, and (g) opening of current accounts with any other bank.

Our Company sought to obtain the relevant consent from the respective lenders in advance of the date of this Preliminary Placement Document. While we have obtained lender consents from most of our lenders, two of our lenders have issued us only their in-principal consents as on the date of this Preliminary Placement Document. The reasons for this delay could vary, potentially including the lender's internal processes or other factors that might have impacted its ability to review and grant consent in a timely manner.

A failure to observe the covenants under our financing arrangements or to obtain necessary consents/ waivers, constitute defaults under the relevant financing agreements and will entitle the respective lenders to declare an event of default and enforce remedies under the terms of the financing agreements, that include, among others, acceleration of amounts due under such facilities, enforcement of any security interest created under the financing agreements and taking possession of the assets given as security in respect of the financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. In addition, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. A default by us under the terms of any financing agreement may also trigger a cross-default under some of our other financing agreements, or any other agreements or instruments of our containing cross-default provisions, which may individually or in aggregate, have an adverse effect on our operations, financial position and credit rating.

36. ***We engage in foreign currency transactions, which expose us to adverse fluctuations in foreign exchange rates. Fluctuations in the exchange rate between the Rupee and other currencies may adversely affect our operating results.***

A portion of our total revenues is denominated in currencies other than Indian Rupees. In Fiscal 2021, Fiscal 2022, Fiscal 2023 and nine months ended December 31, 2023, exports to regions outside India accounted for 19.36%, 15.71%, 24.03% and 25.83% of our revenue from operations. Although we closely follow our exposure to foreign currencies and selectively enter into hedging transactions in an attempt to reduce the risks of currency fluctuations, these activities are not always sufficient to protect us against incurring potential losses if currencies fluctuate significantly.

In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows.

37. ***We are dependent on our Promoters, senior management team and Key Managerial Personnel and the loss of, or our inability to hire, retain, train, and motivate qualified personnel could adversely affect our business, results of operations and financial condition.***

Our ability to compete depends upon our ability to attract, motivate, and retain qualified personnel. We benefit from the industry experience, vision and guidance of our Chairman and Whole-Time Director, Dinesh Patidar, who has been associated with us since 1990. The experience and leadership of our Directors, Key Managerial Personnel and Senior Management has played a key factor in our growth and development. Any loss of the services of our key personnel and any of our other executive officers, and our inability to find suitable replacements, could harm our business and operations and our ability to effectively manage our operations and to meet our strategic objectives.

At times, we may experience, difficulty in hiring and retaining personnel with appropriate qualifications, and we may not be able to fill positions in a timely manner or at all or may need to implement measures such as salary cuts due to external reasons. As of February 29, 2024, we have 602 permanent employees. We cannot guarantee that we will be able to recruit and retain qualified and capable employees.

38. ***We derive a portion of our revenues from operations and conduct business outside India and any adverse developments in these markets could adversely affect our business.***

Our business footprint spans across geographies and we serve customers over 100 countries. For further information, see "*Our Business*" on page 111.

The markets in which we operate are diverse and fragmented, with varying levels of economic and infrastructure development and distinct legal and regulatory systems, and do not operate seamlessly across borders as a single or common market. Therefore, we may be subject to risks inherent in doing business in countries other than India, including: risks related to the legal and regulatory environment in non-Indian jurisdictions, including with respect to privacy and data, or repatriation of our revenues or profits from foreign jurisdictions to India; security, and unexpected changes in laws, regulatory requirements and enforcement; challenges caused by distance, language and cultural differences; health and security threats or the outbreak of an pandemic such as COVID-19; pricing pressures, fluctuations in the demand for or supply of our products or services; complex local tax regimes; higher costs associated with doing business in multiple markets; imposition of international sanctions on one or more of the countries in which we operate; potential damage to our brand and reputation due to compliance with local laws, including requirements to provide information to local authorities; fluctuations in currency exchange rates; political, social or economic instability; difficulties in managing global operations and legal compliance costs associated with multiple international locations; and exposure to local banking, currency control and other financial-related risks.

Our failure to effectively react to these situations or to successfully introduce solutions in these markets could adversely affect our business, prospects, results of operations and financial condition.

39. ***Failures in internal control systems could cause operational errors which may have an adverse impact on our profitability.***

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Internal control systems comprising policies and procedures are designed to ensure sound management of our operations, safekeeping of our assets, optimal utilization of resources, reliability of our financial information and compliance. The systems and procedures are periodically reviewed and routinely tested and cover all functions and business areas.

While we believe that we have adequate controls, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to guarantee effective internal controls in all circumstances. Given the size of our operations, it is possible that errors may repeat or compound before they are discovered and rectified. Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, our actions may not be sufficient to correct such internal control weakness. These factors may have an adverse effect on our reputation, business, results of operations, cash flows and financial condition.

40. ***We are subject to government regulation and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, results of operations and cash flows may be adversely affected.***

Our business and operations are subject to several approvals, statutory and regulatory licenses, registrations and permissions for construction of our manufacturing facility, in addition to government regulations for the protection of the environment and occupational health and safety. We may also need to apply for additional approvals including the renewal of approvals which may expire from time to time, in the ordinary course of business. Certain material approvals obtained by the Company in relation to its business and operations are valid for specified time-period and our Company is required to renew such approvals upon its expiration. If we fail to retain, renew or receive any of such approvals, licenses, registrations, permissions or renewals, in a timely manner or at all, our business, financial condition, results of operations and prospects may be adversely affected. Further, our government approvals and licenses are subject to certain conditions, some of which are onerous and require us to make substantial compliance-related expenditure. If we fail to comply or a regulator claims that we have not complied with such conditions, our business, prospects, financial condition and results of operations may be adversely affected.

41. ***We are subject to pre-emptive surveillance measures like Additional Surveillance Measure (ASM) by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.***

SEBI and Stock Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced pre-emptive surveillance measures. The main objective of these measures is to alert and advice investors to be extra cautious while dealing in these securities and advice market participants to carry out necessary due diligence while dealing in these securities. Accordingly, SEBI and Stock Exchanges have provided for (a) graded surveillance measures on securities where such trading price of such securities does not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net-worth, price per equity multiple and market capitalization; and (b) ASM on securities with surveillance concerns based on objective parameters such as price and volume variation and volatility.

Since our Equity Shares are covered under such ASM – Stage IV implemented by SEBI and the Stock Exchanges, we are subject to certain additional restrictions in relation to trading of our Equity Shares. These restrictions may continue post listing of the Equity Shares, pursuant to the Issue. These restrictions may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active market for and trading of our Equity Shares.

External Risk Factors

42. *Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.*

Natural disasters (such as cyclones, storms, tsunamis, tornadoes, fires, explosions, typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19 and man-made disasters, including acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Recent developments in the ongoing conflict between nations has resulted in and may continue to result in a period of sustained instability across global financial markets, induce volatility in commodity prices, adversely impact availability of natural gas which may lead to delay in projects in the gas sector, increase logistics times and costs, increase borrowing costs, cause outflow of capital from emerging markets and may lead to overall slowdown in economic activity in India. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or countries to who we sell our products could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic strains of influenza in birds and swine and more recently, the COVID-19 virus. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

43. *Any downgrading of India's sovereign debt rating by an international rating agency could have a negative impact on our business and results of operations.*

Our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. There could be a downgrade of India's sovereign debt rating due to various factors, including changes in tax or fiscal policy, or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

44. *If there is any change in laws or regulations, including taxation laws, or their interpretation, such changes may significantly affect our financial statements.*

Our Company's business and operations are governed by various laws and regulations. Our Company's business and financial performance could be materially adversely affected by any change in laws or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to the business. The Government or state governments could implement new regulations and policies, which could require our Company to obtain approvals and licenses from the Government and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our Company's business, prospects, financial condition and results of operations.

45. ***Financial, economic and political instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States of America, Europe and certain emerging economies in Asia. In particular, the ongoing Russia-Ukraine conflict and Israeli-Palestinian conflict could result in increased volatility in, or damage to, the worldwide financial markets and economy. Increased economic volatility and trade restrictions could result in increased volatility in the markets for certain securities and commodities and may cause inflation. Any worldwide financial instability including possibility of default in the US debt market may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. Further, the ongoing diplomatic tension between India and Canada may impact the bilateral trade and economic relations between the two countries. If the tensions continue to escalate, it may adversely impact trade talks between the two countries, which in turn could hamper economic cooperation and limit business opportunities. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilising effects.

46. ***Significant differences exist between Ind AS, U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.***

The Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results included in this Preliminary Placement Document have been prepared in accordance with Ind AS. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

47. ***Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the BRLMs or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.***

Our Company is a company incorporated under the laws of India and all of our Directors are located in India. All of our fixed assets and Key Managerial Personnel and Senior Management are also located in India. As a result, it may not be possible or investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 ("CPC"). India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian Code of Civil Procedure, 1908. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the

United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Further, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such an amount may also be subject to income tax in accordance with applicable law.

48. *If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate thereby reducing our margins.*

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or entirely offset any increases in costs with increases in prices for our products. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the Government has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

Risks Relating to the Equity Shares and this Issue

49. *Your ability to acquire and sell Equity Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Preliminary Placement Document; you will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on a recognised Indian stock exchange for a period of one year from the date of the allotment of the Equity Shares.*

No actions have been taken to permit an offering of the Equity Shares offered in the Issue in any jurisdiction, except for India. As such, your ability to acquire Equity Shares offered in the Issue is restricted by the distribution and solicitation restrictions set forth in "*Selling Restrictions*" on page 151. Further, the Equity Shares offered in the Issue are subject to restrictions on transferability and resale. Pursuant to the SEBI ICDR Regulations, QIBs will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on a recognised Indian stock exchange for a period of one year from the date of the allotment of the Equity Shares. For further information, see "*Purchase Representations and Transfer Restrictions*" on page 152. You are required to inform yourself on, and observe, these restrictions. Our Company and its representatives and agents will not be obligated to recognise any acquisition, transfer or resale of the Equity Shares offered in the Issue made other than in compliance with applicable law.

50. *Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding and sales of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.*

We cannot assure you that we will not issue additional Equity Shares. Any future issuance of the Equity Shares, or convertible securities by our Company (including through exercise of employee stock options or restricted stock units) may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, any future sales of the Equity Shares by the Promoters, or other major shareholders of our Company may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

51. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.*

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time taken for such conversion may reduce the net dividend to foreign investors. In addition, foreign investors that seek to sell Equity Shares will have to obtain approval from the RBI, unless the sale is made on a stock exchange or in connection with an offer made under regulations regarding takeovers. Any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Shareholders. The volatility of the Indian rupee against other currencies may subject investors who convert funds into Indian Rupees to purchase our Equity Shares to currency fluctuation risks.

52. ***The trading price of the Equity Shares may be subject to volatility and you may not be able to sell the Equity Shares at or above the Issue Price.***

The Issue Price shall be determined by us in consultation with the Book Running Lead Manager, based on the Bids received, in compliance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with rules made thereunder. It may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to the Issue.

The trading price of the Equity Shares may fluctuate due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors and the perception in the market about investments in the sector in which we operate, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments.

In addition, if the stock markets in general experience a loss of investor confidence, the trading price of the Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of the Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Any of the aforesaid factors could adversely affect the market price and liquidity of the Equity Shares.

53. ***Investors may be subject to Indian taxes arising out of income arising on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realized on the sale of listed equity shares on a recognised stock exchange, held for more than 12 months immediately preceding the date of transfer will be subject to long-term capital gains tax in India at the specified rate depending on certain factors, such as whether the sale is undertaken on or off a recognised stock exchange, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of Securities Transaction Tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less immediately preceding the date of transfer, will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain realised upon the sale of the Equity Shares.

54. ***There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a Shareholder's ability to sell, or the price at which a Shareholder can sell, the Equity Shares at a particular point in time.***

The Equity Shares are subject to a daily circuit breaker imposed on listed companies by the Stock Exchanges in India, which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares.

This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our Company's circuit breaker applicable to the Equity Shares is set by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges may change the percentage limit of the circuit breaker from time to time without our Company's knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, we cannot assure you regarding the ability of Shareholders to sell the Equity Shares or the price at which Shareholders may be able to sell their Equity Shares—which may be adversely affected at a particular point in time. For further details, see "*The Securities Market of India*" on page 154.

55. ***Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of our Equity Shares.***

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Furthermore, the Indian Government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian Government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian Government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities.

56. ***Bidders are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date.***

In terms of Regulation 179 (1) of the SEBI (ICDR) Regulations, investors in the Issue are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the investors' demat account with the depository participant could take approximately seven (7) days and up to ten (10) days from the Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in the business, results of operation or financial condition of the Bank, or other events affecting the investor's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Issue Closing Date could also adversely impact the market price of the Equity Shares. The investors shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. We may complete the Allotment of the Equity Shares even if such events may limit the investor's ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

57. ***An investor will not be able to sell any of the Equity Shares subscribed in this Issue other than on a recognized Indian stock exchange for a period of one year from the date of the allotment of the Equity Shares.***

The Equity Shares in this Issue are subject to restrictions on transfers. Pursuant to the SEBI ICDR Regulations, for a period of one year from the date of the allotment of the Equity Shares in this Issue, eligible QIBs subscribing for the Equity Shares may only sell their Equity Shares on NSE or BSE and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. This may affect the liquidity of the Equity Shares purchased by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

58. ***Investors will be subject to market risks until the Equity Shares credited to their demat accounts are listed and permitted to be traded.***

Investors may commence trading the Equity Shares allotted to them in the Issue only after they have been credited to an investor's demat account, are listed and are permitted to be traded. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account, or that trading in the

Equity Shares will commence in a timely manner.

59. ***Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.***

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction the investors are located in does not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor’s benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emption rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

60. ***A third-party could be prevented from acquiring control of us post this Issue, because of anti-takeover provisions under Indian law.***

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company after completion of the Issue. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

61. ***Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.***

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors’ fiduciary duties, responsibilities and liabilities, and shareholders’ rights may differ from those that would apply to a company in another jurisdiction. Shareholders’ rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder of our Company than as a shareholder of an entity in another jurisdiction.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, our Company's issued and subscribed capital comprises 1,856,0356 Equity Shares and paid-up capital comprises 18,380,156 Equity Shares of face value of ₹10 each. The Equity Shares have been listed on BSE and on NSE. The Equity Shares are listed and traded on NSE under the symbol SHAKTIPUMP and BSE under the scrip code 531431 and symbol SHAKTIPUMP.

On March 18, 2024, the closing price of the Equity Shares on NSE and BSE was ₹ 1,343.60 and ₹ 1,345.60, respectively, per Equity Share. Since the Equity Shares are available for trading on the Stock Exchanges, the market price and other information for each of BSE and NSE has been given separately.

The following tables set forth the reported high, low and average of the closing prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading turnover for the Financial Years ended March 31, 2023, March 31, 2022, and March 31, 2021:

BSE									
Financial Year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the year (₹)**
2023	574.10	12-Sep-22	21,394	12.43	383.25	23-Dec-22	3,982	1.53	464.58
2022	876.25	08-Jun-21	1,03,658	91.53	456.45	29-Mar-22	48,086	22.37	652.77
2021	563.50	08-Mar-21	26,395	15.22	112.55	01-Apr-20	3,595	0.41	260.24

(Source: www.bseindia.com)
- *High, low and average prices are based on the daily closing prices.*
- *In the case of a year, average represents the average of the closing prices of all trading days of each year presented.*
- *In case of two days with the same high or low price, the date with the higher turnover has been chosen.*

NSE									
Financial Year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the year (₹)**
2023	576.50	12-Sep-22	1,54,812	90.00	383.55	23-Dec-22	55,905	21.45	464.49
2022	875.70	08-Jun-21	5,87,863	520.43	455.95	29-Mar-22	1,85,029	86.33	652.65
2021	563.90	08-Mar-21	2,21,261	127.63	112.50	01-Apr-20	26,109	2.98	260.05

(Source: www.nseindia.com)
i) High, low and average prices are based on the daily closing prices.
ii) In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
iii) In case of two days with the same high or low price, the date with the higher turnover has been chosen.

The following table sets forth the details of the number of Equity Shares traded on the Stock Exchanges and the turnover during Fiscals 2023, 2022 and 2021:

Fiscal	**Number of Equity Shares Traded**		**Turnover (in ₹ million)**	
	BSE	**NSE**	**BSE**	**NSE**
2023	23,27,314	1,71,34,627	1,119.41	8,206.63
2022	47,83,221	4,20,27,496	3,318.28	29,495.15
2021	32,87,693	2,06,03,508	1,002.48	6,250.55

(Source: www.bseindia.com and www.nseindia.com)

The following tables set forth the reported high, low and average of the closing prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded during each of the last six months:

BSE											
Month year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹) (million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹) (million)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹ million)**
February 2024	1,520.40	19-Feb-24	3,184	4.82	1,313.60	29-Feb-24	3,660	4.82	1,440	1,99,123	291.05
January 2024	1,478.95	31-Jan-24	51,084	74.84	994.05	03-Jan-24	2,165	2.17	1,116	4,93,470	608.89
December 2023	1,033.05	11-Dec-23	12,613	12.84	937.85	20-Dec-23	17,129	16.52	997	1,94,314	196.82
November 2023	1,076.05	13-Nov-23	10,333	11.15	1,001.10	30-Nov-23	10,877	10.92	1,045	2,06,077	216.85
October 2023	1,137.60	20-Oct-23	1,67,960	195.91	856.45	04-Oct-23	23,860	20.67	965	8,89,425	900.88
September 2023	899.75	04-Sep-23	91,723	82.47	747.85	13-Sep-23	16,079	12.01	838	6,03,184	521.55

(Source: www.bseindia.com)

- *High, low and average prices are based on the daily closing prices.*
- *In the case of a month, average represents the average of the closing prices of all trading days of each year presented.*
- *In case of two days with the same high or low price, the date with the higher turnover has been chosen.*

NSE											
Month year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹ million)**
February 2024	1,517.60	19-Feb-24	31,364	47.69	1,315.40	29-Feb-24	17,887	23.70	1,439	15,44,991	2,267.70
January 2024	1,478.30	31-Jan-24	4,79,978	705.54	994.10	03-Jan-24	50,947	51.05	1,116	54,45,816	6,818.60
December 2023	1,030.40	11-Dec-23	83,521	84.94	938.50	20-Dec-23	62,822	60.45	997	15,41,097	1,568.14
November 2023	1,076.10	13-Nov-23	87,919	94.93	1,004.60	30-Nov-23	48,166	48.43	1,045	20,06,762	2,123.72
October 2023	1,136.05	20-Oct-23	41,34,317	4,819.70	855.45	04-Oct-23	2,26,860	197.25	966	1,61,07,792	16,684.82
September 2023	900.65	04-Sep-23	14,84,232	1,338.79	748.05	13-Sep-23	1,05,169	78.82	838	88,83,757	7,724.16

(Source: www.nseindia.com)

i) *High, low and average prices are based on the daily closing prices.*
ii) *In the case of a month, average represents the average of the closing prices of all trading days of each year presented.*
iii) *In case of two days with the same high or low price, the date with the higher turnover has been chosen.*

The following table sets forth the market price on the Stock Exchanges on January 19, 2024 that is, the first working day following the approval dated January 18, 2024 of our Board of Directors for the Issue:

Date	**BSE**					
	Open(₹)	**High(₹)**	**Low(₹)**	**Close(₹)**	**Number of Equity Shares traded**	**Volume (₹ million)**
January 19, 2024	1,166.10	1,167.50	1,122.40	1,136.00	10,462	11.99

(Source: www.bseindia.com)

Date	NSE					
	Open(₹)	High(₹)	Low(₹)	Close(₹)	Number of Equity Shares traded	Volume (₹ million)
January 19, 2024	1,164.65	1,168.70	1,122.00	1,136.80	94,397	107.95

(Source: www.nseindia.com)

USE OF PROCEEDS

The Gross Proceeds will aggregate up to ₹ [●] million. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue of approximately ₹ [●] million, shall be approximately ₹ [●] million ("**Net Proceeds**").

Objects of the Issue

Subject to applicable laws and regulations, we intend to utilise the Net Proceeds towards the following objects (collectively, the "**Objects**"):

(in ₹ million)

S. No.	Particulars	Amount that will be financed from Net Proceeds
1.	Part funding the capacity expansion of our Company with respect to the new facility in Pithampur, Madhya Pradesh for manufacture of Pumps and Motors, Inverter, Variable Frequency Drives & Structures ("**Project**")	1,500
2.	General corporate purposes[1]	[●]
	Total Net Proceeds[2]	[●]

[1]*The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Gross Proceeds.*
[2]*To be determined upon finalisation of the Issue Price*

The main objects and objects incidental or ancillary to the attainment of the main objects of our Memorandum of Association enable us to undertake the Objects contemplated by us in this Issue. In the event of a change in the final Issue size, the amounts shown in the table above against each of the use of proceeds specified therein shall be modified basis the final Issue size in the Placement Document. Our funding requirements, deployment of the funds and the intended use of the Net Proceeds indicated in this is based on the detailed project report as certified by Manish Shah & Associates, Chartered Engineer, internal management estimates, current circumstances of our business plan and the prevailing market conditions and other commercial and technical factors, which are subject to change in the future.

Given the nature of our business, we may have to revise our funding requirements and intended deployment schedule on account of a variety of factors such as our financial condition, business strategy, change in government policies, delay in procuring and operationalizing assets or necessary licenses and approvals, and external factors such as market conditions, competitive environment, price fluctuations and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. Depending upon such factors, we may have to reduce or extend the deployment period for the stated objects. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the expenditure for a particular purpose, at the discretion of our management. In case of a shortfall in raising requisite capital from the Net Proceeds, business considerations may require us to explore a range of options including utilising our internal accruals and/ or seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue, subject to compliance with applicable laws. For details, see "*Risk Factors – **There may be variance in projected utilization of our production capacities due to changing market dynamics and unforeseen events which may have a material adverse effect on our Company's financial condition, results of operations, and prospects.***" on page 44.

Our Company proposes to deploy the entire Net Proceeds towards the Objects stated above. If the Net Proceeds are not utilized (in full or in part) for the Objects within the period stated above due to any reason, including (i) market conditions outside the control of our Company; and (ii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized (in part or full) in subsequent periods in such manner as may be determined by our Company, in accordance with applicable laws. Further, our Company may also utilise any portion of or the entire Net Proceeds, towards the aforementioned Objects, ahead of the estimated schedule of deployment specified above.

Proposed schedule of deployment

(in ₹ million)

Particulars	Total estimated costs	Amount to be funded from Net Proceeds	Estimated amount to be deployed from the Net Proceeds in Fiscal 2025	Estimated amount to be deployed from the Net Proceeds in Fiscal

				2026
Part funding the capacity expansion of our Company with respect to the new facility in Pithampur, Madhya Pradesh for manufacture of Solar Powered Pumps and Motors, Variable Frequency Drives & Structures	2500	1500	1000	500
General corporate purposes[1]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]

[1]*The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Gross Proceeds.*

Details of the Objects

Part funding the capacity expansion of Pumps and Motors, Inverters, Variable Frequency Drives & Structures

The Company intend to set up a new facility to double its production capacity of pumps/motors from 5,00,000 units to 10,00,000 units, inverters / VFD's from 2,00,000 units to 400,000 units, and of structures from 1,00,000 units to 2,00,000 units.(*Source: DPR*) We believe this will improve our market presence and overall financial performance.

Schedule of implementation of the Project

The Project will be implemented over a period of 24 months starting from April 2024 and estimated to commence commercial production by April 2026.

The proposed scheduled of implementation of the Project is given below:

Particulars	Expected Completion Date*
Land acquisition	June 30, 2024
Site Development and Civil construction	June 30, 2025
Commissioning of Plant	December 31, 2025
Trial run and production	March 31, 2026

**The schedule of implementation is worked out as per the past experience of the Company.*

The Company expects to commence commercial production from April 1, 2026.

Cost of the Project

The total estimated cost of the Project is ₹ 2,500 million, as certified and issued by Manish Shah & Associates, Chartered Engineer dated March 16, 2024 ("**DPR**"). As part of setting up the Project, we will incur expenditure towards land and site development, building construction, procurement of plants and machinery, etc.

The breakup of the total cost, based on the DPR report, is set out below:

(in ₹ million)

S.No	Item	Estimate
1.	Land and Site Development	200.00
2.	Building, Civil & Structural Work	300.00
3.	Plant & Machinery	1800.00
4.	Miscellaneous Fixed Assets	200.00
	Total	**2500.00**

Source: DPR

Means of finance

The means of finance for funding the Project, as per the DPR, is given below:

(in ₹ million)

Particulars	Amount
Total estimated cost for setting up of the Project (A)[1]	2,500
Amount to be funded by way of the Net Proceeds (B)	1,500
Funding required excluding the Net Proceeds (A)-(B)[2]	1,000

[1]*As certified in the DPR*

2 Such balance funds shall be funded from internal accruals and other sources, as applicable

Land and site development

The total estimated cost for land acquisition and site development is ₹ 200 million *(Source: DPR).*

The Project will be set up on the land allotted to the Company by M.P. Industrial Development Corporation Limited, Indore ("MPIDC") by its letter dated January 24, 2024 situated at Industrial Area, Sector – VII, Pithampur (M.P.).*(Source: DPR).* The area of the allotted land parcel is 45.66 acres. The Company will be utilizing the land parcel pursuant to a lease agreement to be entered into by the Company with MPIDC for a period of 99 years from the date of execution of lease deed.

Building, Civil Work and Structural work

The total estimated cost for building, civil and structural work is ₹ 300 million *(Source: DPR).*

The primary components of civil work are main factory buildings, auxiliary services and non-factory buildings such as administration building, canteen building, time office / dispatch office, security office and general store. The break-up of the cost of civil works is as follows:

SN	Buildings and other civil structures	INR Million
1	Main factory buildings	255.00
2	Aux. services	17.50
3	Office/ Non-factory buildings	27.50
	Total	**300.00***

**The above cost is estimated by the Company, based on its past experience*

As part of the operations for the Project, we require a steady and abundant supply of power and water. The power demand for the proposed Project has been estimated at about 700 KVA on supply voltage 33 KV. The power requirement will be met primarily through sourcing of power from the grid substation of Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited as a wholly owned Government of Madhya Pradesh Corporations. The water requirement for plant has been estimated as about 20,000 liters per day. The water demand can be met from the water connection from DMIC Pithampur Jal Prabandhan Limited.

Prior to commencement of the facility, our Company will enter into relevant agreements and documentation to avail these facilities.

Plant and Machinery

The total estimated cost for plant and equipment is ₹1,800 million (Source: DPR).

Estimated cost break-up of division wise plant and machinery required for the Project is given below:

SN	Plant & Machinery for	INR Million
1	Pumps and Motors Division	1,315
2	Inverter/VFD Division	253
3	Structure Division	232
	Total	**1,800**

We have not placed any order as of date for any of the plant and machinery.

Miscellaneous fixed assets

Miscellaneous fixed assets expense is estimated to be ₹200 million, which includes expenses such as engineering & know how, equipment for distribution of power, fire fighting equipment, sewage treatment plant, furnitures, vehicles, etc.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds, for setting up of the Project, as described herein are based on our current business plan, management estimates, DPR including current and valid quotations from suppliers and other commercial and technical factors. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution. For further details, please see, "***Risk Factors – We have not taken any steps to order the machinery/equipment required for the proposed facility. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment / machineries in a timely manner, or at all, the same may result in time and cost over-runs."*** on page 44.

Our estimated costs mentioned above are based on quotations received from our suppliers / vendors from whom our Company has purchased similar items for other projects in the past on prevailing market rates and our internal management estimates for specifications and item requirements based on our experience. All quotations received from the vendors mentioned above are valid as on the date of this Preliminary Placement Document. If we engage someone other than the identified third-party vendors from whom we have obtained quotations or if the quotations obtained expire, such vendor's estimates and actual costs for the items listed above may differ from the current estimates. Additionally, there may be some revisions in the final amounts payable towards these quotations pursuant to any taxes or levies payable on such item. No second-hand or used machinery or equipment is proposed to be purchased out of the Net Proceeds.

We have not entered into any definitive agreements with some of the vendors and there can be no assurance that the same vendor(s) would be engaged to eventually supply the items or we will get the items at the same costs. The quantity of equipment and other materials to be purchased is based on management estimates and could be subject to change in the future. Furthermore, the estimated cost quoted in the quotations are non-negotiated costs and could be subject to change in the future. In the event of any change in the price or breakup of the estimated cost, the Net Proceeds may be appropriately distributed across the project cost-heads to adjust any decrease or increase in cost under any of the headings stated above.

Other expenses

Further, any additional costs incurred in relation to setting up of the Project will be met from internal accruals. Our Company may hire third parties to execute and complete certain specific parts of the Project. Further, certain portion of the estimated cost may be deployed towards miscellaneous expenses, including operation and maintenance costs, transmission charges, administrative and general expenses, infrastructure charges and selling and marketing expenses.

Our Company may continue to place orders or make scheduled payments in relation to the orders which have been placed with vendors for various materials and any other requirements (including services) in relation to the setting up of the Project. Accordingly, the details of the estimated cost for setting up of the Project, may be subject to change in the future.

Government approvals

All the approvals, permits and clearances required for setting up of the Project (including the connectivity thereof), and those required from the state government and local bodies shall be obtained by the Company in its own name. We would require approval from various government department including in relation to GST, commercial tax registration, secretariat for industrial assistance, department of industrial policy & investment promotion, pollution control board, energy department and labour department, among others.

1. General corporate purposes

The Net Proceeds will first be utilized towards the Objects as set out above. Subject to this, our Company intends to deploy any balance Net Proceeds towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds.

Such general corporate purposes may include, but are not restricted to meeting fund requirements which our Company may face in the ordinary course of business, any additional capital expenditure, repayment or pre-payment of our borrowings, strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, investment in our Subsidiaries, meeting working capital requirements of our Company incurred in the ordinary course of business, meeting exigencies and expenses, logistics expenses, installation expenses, accessories and other expenses in relation to our proposed capital expenditure, and any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any, in accordance with applicable law.

Monitoring of utilisation of funds

Pursuant to Regulation 173A of the SEBI ICDR Regulations, our Company has appointed India Ratings And Research Private Limited, a credit rating agency registered with the SEBI, as the monitoring agency ("**Monitoring Agency**"), as the size of our Issue exceeds ₹ 1,000 million. The Monitoring Agency shall submit its report to our Company in the format specified in Schedule XI of the SEBI ICDR Regulations on a quarterly basis, till 100% of the Net Proceeds have been utilised. The board of directors and the management of our Company will provide their comments on the findings of the Monitoring Agency as specified in Schedule XI. Our Company shall, within 45 days from the end of each quarter, upload the report of the Monitoring Agency on our website and also submit the same to the Stock Exchanges.

The report of the Monitoring Agency shall be placed before our Audit Committee on a quarterly basis, promptly upon its receipt. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects, as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects, as stated above. This information will also be published on our website simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Other confirmations

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by our Board and/ or a duly authorized committee of our Board, from time to time only for such purposes, as permitted under the Companies Act, prescribed Objects as disclosed above and other applicable laws.

Our Company will have flexibility in deploying the Net Proceeds received by our Company from the Issue in accordance with applicable laws. Pending utilisation for the purposes described above, our Company intends to temporarily invest funds in creditworthy instruments, including money market mutual funds and deposits with banks. Such investments would be in accordance with the investment policies as approved by our Board from time to time and applicable laws.

Subject to applicable laws, our Board shall determine the quantum of Net Proceeds to be deployed by our Company from the Issue, depending on business opportunities or requirements of our Company from time to time.

Neither our Promoters nor our Directors will make any contribution either as part of the Issue or separately in furtherance of the Objects. Further, neither our Promoters nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel or members of Senior Management are not eligible to subscribe in the Issue.

CAPITALISATION STATEMENT

The following table sets forth our capitalization and total borrowings, on a consolidated basis, as at which has been derived from our unaudited consolidated financial results as of and for the nine months ended December 31, 2023 and as adjusted to give effect for the Issue. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations"* and "*Financial Information*" on pages 73 and 179, respectively.

(₹ in million)

Particulars	Pre – Issue	Post – Issue
	As at December 31, 2023 (A) (Un adjusted)	**As Adjusted****
Borrowings		
Current borrowings	1,530.09	[●]
Non-current borrowings	5.91	[●]
Current maturities of long-term debt	24.50	[●]
Total borrowings (A)	**1,560.50**	**[●]**
Equity		
Equity share capital	183.80	[●]
Other equity	4,485.89	[●]
Non-controlling interest	0.00	[●]
Total Equity (B)	**4,669.69**	**[●]**
Total Capitalization (C = A+B)	**6,170.20**	**[●]**
Non-current borrowings (including current maturities of long-term debt) / Total Equity	**0.65%**	**[●]**
Total Borrowings/ Total Equity	**33.42%**	**[●]**

The above terms in the table shall carry the meaning as per Division II of Schedule III of the Companies Act, 2013

*** To be updated upon finalization of the price.*

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Preliminary Placement Document is set forth below:

(in ₹ million, except share data)

	Particulars	Aggregate value at face value (except for securities premium account)
A	**AUTHORISED SHARE CAPITAL**	
	2,50,00,000 Equity Shares of face value of ₹10 each	250.00
	15,00,000 compulsorily convertible preference shares of face value of ₹100 each	150.00
B	**ISSUED AND SUBSCRIBED CAPITAL BEFORE THE ISSUE**	
	18,560,356 Equity Shares of face value of ₹10 each	185.60
	PAID-UP CAPITAL BEFORE THE ISSUE	
	18,380,156 Equity Shares of face value of ₹10 each ^	183.80
C	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT**	
	Up to [●] Equity Shares aggregating to ₹[●] million(1)(2)	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**	
	[●] Equity Shares of face value of ₹10 each	[●]
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue (as of the date of this Preliminary Placement Document)	879.78
	After the Issue(2)(3)	[●]

^ *Our Company has, in the meeting of the Board held on September 6, 1996, forfeited 180,200 Equity Shares on account of non-payment of the allotment money*

(1) *This Issue has been authorised and approved by our Board of Directors pursuant to its resolution passed on January 18, 2024. The Shareholders' of our Company have authorised and approved the Issue by way of a special resolution passed through postal ballot meeting on February 20, 2024.*

(2) *To be determined upon finalisation of the Issue Price.*

(3) *The securities premium account after the Issue is calculated on the basis of Gross Proceeds. Adjustments do not include Issue related expenses.*

Notes to the Capital Structure

Equity Share capital history of our Company

The history of the equity share capital of our Company as on the date of this Preliminary Placement Document is provided in the following table:

Date of allotment/forfeiture	Number of Equity Shares allotted/forfeited	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
April 21, 1995	1,110,000	10	10	Cash	Subscription to the Memorandum of Association	1,110,000	11,100,000
January 15, 1996	3,892,100	10	10	Cash	Initial public offering	50,02,100^	5,00,21,000
September 06, 1996	(1,80,200)	10	-	Cash	Forfeiture of Equity Shares^	4,821,900	48,219,000
March 30, 2007	200,000	10	127	Cash	Preferential allotment	5,021,900	50,219,000
July 31, 2007	350,000	10	127	Cash	Preferential allotment	5,371,900	53,719,000

Date of allotment/forfeiture	Number of Equity Shares allotted/forfeited	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
March 31, 2008	18,000	10	127	Cash	Preferential allotment	5,389,900	53,899,000
June 11, 2008	833,000	10	127	Cash	Preferential allotment	6,222,900	62,229,000
April 20, 2011	360,400	10	111	Cash	Preferential allotment	6,583,300	65,833,000
April 30, 2011	6,583,300	10	10	Nil	Bonus issue in the ratio of 1:1	13,166,600	131,666,000
July 28, 2011	877,193	10	57	Cash	Preferential allotment	14,043,793	140,437,930
October 11, 2012	600,000	10	176	Cash	Conversion of warrants	14,643,793	146,437,930
October 11, 2012	600,000	10	10	Nil	Bonus issue in the ratio of 1:1	15,243,793	152,437,930
September 17, 2014	750,000	10	80	Cash	Conversion of warrants	15,993,793	159,937,930
March 28, 2015	750,000	10	80	Cash	Conversion of warrants	16,743,793	167,437,930
May 9, 2016	16,36,363	10	275	Cash	Conversion of compulsorily convertible preference shares	18,380,156	183,801,560

^ Our Company has, in the meeting of the Board held on September 6, 1996, forfeited 180,200 Equity Shares on account of non-payment of the allotment money

Proposed Allottees in the Issue

In compliance with the requirements prescribed under the SEBI ICDR Regulations, Allotment shall be made at the sole discretion of our Company in consultation with the BRLM to Eligible QIBs. For details of the names of the proposed Allottees and the percentage of the post-Issue Equity Share capital that may be held by them, see "*Details of Proposed Allottees*" on page 315.

Pre-Issue and Post-Issue Shareholding Pattern

The following table provides the pre-Issue shareholding pattern as and the post-Issue shareholding pattern:

S. No.	Category	Pre-Issue^		Post-Issue*	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
A.	**Promoters' holding****				
1.	Indian				
	Individual	8596300	46.77	[●]	[●]
	Bodies corporate	1737000	9.45	[●]	[●]
	Sub-total	**10333300**	**56.22**	[●]	[●]
2.	Foreign promoters	Nil	Nil	[●]	[●]
	Sub-total (A)	**10333300**	**56.22**	[●]	[●]
B	**Non Promoter holding**				
1.	Institutional investors	84603	0.46	[●]	[●]
2.	Non-Institutional investors	33865	0.18	[●]	[●]
	Private corporate bodies	614960	3.35	[●]	[●]
	Directors and relatives	76848	0.42	[●]	[●]

S. No.	Category	Pre-Issue^		Post-Issue*	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
	Indian public	6394390	34.79	[●]	[●]
	Others including Non- resident Indians (NRIs)	842190	4.58	[●]	[●]
	Sub-total (B)	**8046856**	**43.78**	[●]	[●]
	Grand Total (A+B)	**18380156**	**100**	[●]	[●]

^*Based on beneficiary position data of our Company as on March 8, 2024*
**The post-Issue shareholding pattern has been intentionally left blank and will be filled in the Placement Document.*
***Includes shareholding of our Promoter Group as well.*

Other Confirmations

1. Our Promoters, Directors, Key Managerial Personnel and members of the Senior Management of our Company do not intend to participate in the Issue. Our Equity Shares have been listed for a period of at least one year prior to the date of the issuance of the notice to our Shareholders, i.e., January 18, 2024, for approving the Issue.

2. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Preliminary Placement Document.

3. As on the date of this Preliminary Placement Document, our Company does not have outstanding preference shares.

4. There would be no change in control in our Company consequent to the Issue.

5. Our Company has not made any allotment of Equity Shares in the one year immediately preceding the date of this Preliminary Placement Document, including for consideration other than cash.

6. Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of the Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottees for a period of one year from the date of Allotment, except on the Stock Exchanges.

DIVIDENDS

The declaration and payment of dividends by our Company is governed by applicable provisions of the Companies Act, our Articles of Association and a formal dividend distribution policy adopted by our Company, in terms of Regulation 43A of the SEBI Listing Regulations. For further information, see the section titled "*Description of the Equity Shares*" on page 158.

Dividend on Equity Shares

The following table sets forth the dividend paid by our Company on the Equity Shares:

Particulars	Year / Period ended				January 1, 2024 till the date of this PPD
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2023	
Face value per Equity Share (in ₹)	10.00	10.00	10.00	10.00	10.00
Aggregate dividend (in ₹ million)	133.35	33.73	33.64	Nil	Nil
Dividend per Equity Share (in ₹)	8.00	2.00	2.00	Nil	Nil
Rate of dividend (%)	80%	20%	20%	Nil	Nil
Dividend distribution tax (%)	10%	10%	10%	Nil	Nil
Dividend distribution tax (in ₹ million)	13.69	3.03	3.12	Nil	Nil
Mode of payment of dividend	Through demand draft and bank transfer	Through demand draft and bank transfer	Through demand draft and bank transfer	Nil	Nil

Future Dividends

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future or that the amount thereof will not be decreased. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, working capital requirements, capital expenditure requirements, requirement of resources to fund acquisitions/ and or new business, requirement of cash flow to meet contingencies, outstanding borrowings, past dividend trends, prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws and dividend pay-out ratios of companies in the same/ similar industry and any other relevant factors that the Board may deem fit to consider before declaring dividend and such dividend shall be paid in accordance with the dividend distribution policy approved by our Board.

The Equity Shares to be issued in connection with this Issue shall qualify for all dividends, including interim dividend, if any, that is declared after Allotment.

Please also see the sections titled "*Taxation*" and "*Risk Factors*" on pages 162 and 40, respectively.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our Audited Consolidated Financial Statements prepared as of and for each of the financial years ended March 31, 2021, 2022 and 2023 in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules,2015 and the Companies Act, and our Interim Condensed Consolidated Financial Statements prepared as of and for the nine months ended December 31, 2022 and December 2023 in accordance with Ind AS 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 and as required under the SEBI Listing Regulations, each included elsewhere in this Preliminary Placement Document. Ind AS differs in certain material respects from U.S. GAAP and IFRS. Financial information for the nine-month ended December 31, 2023 and December 31, 2022, is not annualized and not indicative of full year results, and is not comparable with annual financial statements presented in this Preliminary Placement Document.

Our financial year ends on March 31 of each year. Accordingly, all references to a particular "fiscal year" and "Fiscal" are to the 12-month period ending on March 31 of that year. This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" on pages 17 and 40, respectively.

*The industry related information contained in this section is derived from the report titled "Indian Pumps Industry Overview" prepared by New Age TechSci Research Private Limited dated March 11, 2024 (the "**Report**"), which we commissioned for the purposes of confirming our understanding of the industry in connection with the Issue. Neither we, nor any other person connected with the Issue, including the BRLM, has independently verified the information derived from the Report. Further, New Age TechSci Research Private Limited may also base their opinion on estimates, projections, forecasts and assumptions that may prove to be incorrect. Prospective investors are advised not to unduly rely on the Report when making their investment decision.*

OVERVIEW

We are an integrated player focused on manufacturing of fabrication technology-based solar / electricity operated submersible pumps in India, catering to our clientele across the globe. We are recognized as one of the leading domestic manufacturers in the Indian pump industry (*Source: TechSci Report*). With over four decades of experience, 12 (twelve) patents and continuous commitment to innovation, we deliver unique proprietary products through in-house research, design and development. We are one of the few manufacturers domestically, with the competency to manufacture solar and submersible pumps and motors in-house.

Our Company's significant involvement in the "Pradhan Mantri Kisan Urja Suraksha evam Utthan Mahabhiyan Scheme " ("**PM KUSUM**") of the Government of India ("**GoI**") providing substantial opportunities for us as we cater to major section of the scheme. The PM KUSUM reflects commitment to provide energy and water security to farmers through deployment of solar power among farmers to meet their energy requirements and also to enhance their income. (*Source: PM Kusum Reform, September 2021 available at https://pmkusum.mnre.gov.in/pdf/PM-KUSUM%20Reforms%20English%20(21-09-2021).pdf*). The scheme aims is to install solar pump sets to replace traditional diesel or electric pump set used by farmers for irrigation. This helps in reducing the dependency on fossil fuels and mitigates greenhouse gas emissions. These solar power plants allow farmers to generate additional income by selling surplus electricity to the grid. In addition, under this scheme, farmers can receive support for the solarization of their existing pump sets. This involves retrofitting existing pumps with solar panels to reduce their dependence on conventional electricity or diesel. (*Source: Techsci Report*). The contribution of our Company in the Scheme as of December 31, 2023 is set out below:

Particulars	Number of Pumps
Total no. of pumps (order) awarded under PM Kusum Scheme	12,23,721
Total order executed	2,84,607
Total order executed by Shakti Pumps	68,779

* Source: *https://pmkusum.mnre.gov.in/landing.html data as per December 31, 2023*

Our business is classified into five broad segments i.e. Customers under government projects, Exports and Others (including Original Equipment Manufacturer, Industrial, & Others). The revenue from each of these segments for the fiscals ending March 31, 2021, March 31, 2022 and March 31, 2023 are below:

Segments	Fiscal ended March 31,

(Consolidated numbers - ₹ Million)	2023	2022	2021
Customers under Government Projects	6,232.00	8,148.42	5,422.65
Exports	2,325.41	1,851.12	1,800.16
Industrial Customers	158.98	155.20	174.79
OEM Customers	113.40	312.30	859.00
Other Customers	847.04	1318.31	1,040.01
Total	9,676.83	11,785.35	9,296.61

We are one of few companies in the Industry to implement enterprise resource planning ("**ERP**") in our business for (i) automating and streamlining business processes, (ii) real-time visibility, (iii) assistance with planning, forecasting, budgeting and support informed decision making, (iv) improved customer service including faster response times and more accurate delivery projections, (v) increased productivity, (vi) compliance and risk management and (vii) scalability, thereby optimizing our operations and driving growth.

We are backward integrated with design, process engineering, casting and machining capabilities (CNC – Computerised Numeric Control) which allows us greater control over process, timelines, pricing and quality. Our in-house design capabilities allow us to meet with the customers' requirements across the globe by following NEMA (National Electrical Manufacturers Association) standards.

We lay significant emphasis on research and development. This has also enabled us to address our consumers' diverse needs, introduce new and innovative products in the market, enhance existing products with emerging technologies, and optimize costs across our products through value analysis and value engineering.

Over the years, we have focused on creating robust manufacturing systems and processes that comply with health and safety, as well as environmental, social and governance requirements. We have received ISO 9001:2015, ISO 14001: 2015 and ISO 45001: 2018 certifications from Bureau Veritas Certification Holding SAS (UK branch). Over the years, we have developed a track record of manufacturing quality and technologically advanced pumps and motors at our certified manufacturing facilities. As on the date of this Preliminary Placement Document, we operate out of four manufacturing facilities located in Pithampur, Madhya Pradesh, equipped with (i) casting machines, (ii) computerised numerical control (CNC) machines, (iii) lathe and milling machines, (iv) hydraulic presses, (v) welding machines including laser welding, (vi) coil winding machines, (vii) vacuum pressure impregnation machine, (viii) testing equipment like dynamometers, electrical testers, pressure testers, flow meters for compliance with quality and safety standards, (ix) laser marking among others. We follow stringent quality standards and place a strong emphasis on quality for our products.

As on February 29, 2024, we had a total installed capacity of 500,000 pumps. As on December 31, 2023, our pending order book was INR 22,500 million to be executed in the next two years. As on December 31,2023, we have installed 68,779 pumps under Component B of PM Kusum, 24.17% of the total pumps installed through the PM KUSUM, thereby significantly contributing to the initiative of Government of India. (Source: *https://pmkusum.mnre.gov.in/landing.html data as per December 31, 2023*)

We are also forward integrated with a network of sales and service locations across various locations in India and over 100 locations outside India, as of February 29, 2024. We caters to multiple industry verticals including agriculture, commercial, industrial and others. We are well positioned to increase the number of different products that we manufacture for them, increase the volume of our shipments to them of each particular product and expand our coverage to other areas where they require similar solutions.

We are led by our Promoter, Dinesh Patidar, and our Managing Director, Ramesh Patidar, who have several decades, respectively, of experience in the pumps and motor industry and have been instrumental in the growth of our Company. Under their leadership we have been able to expand our operations and have established a significant presence in India and export markets. We have a diversified Board of Directors, which is supplemented by a strong senior management team with significant experience in the industry that has demonstrated its ability to anticipate and capitalize on changing market trends, manage and grow our operations and leverage and deepen customer relationships. As of February 29, 2024, we had a workforce of 1,681 personnel which comprised 602 permanent employees and 1,111 contract employees for our operations.

The following table sets forth certain information relating to certain key financial performance metrics on a consolidated basis as of the dates and for the periods indicated:

Particulars	As of and for the year ended ,March 31			As of and for the nine months ended December 31,	
	2023	2022	2021	2023	2022
Revenue from Operations	9,677	11,785	9,297	7,615	7,850

EBITDA[1]	666	1,105	1,413	941	557
EBITDA margin[2]	6.9%	9.4%	15.2%	12.4%	7.1%
Profit after Tax for the year / period	241	648	756	521	219
Profit after tax margin[3]	2.5%	5.5%	8.1%	6.8%	2.8%
Return on Equity ("**ROE**")[4]	6.80%	17.24%	22.55%	-	-
Return on Capital Employed ("**ROCE**")[5]	9.32%	17.85%	28.21%	-	-
Current Ratio[6]	1.76	1.48	1.56	-	-
Debt Service Coverage Ratio[7]	4.50	6.41	6.77	-	-
Trade Receivables Turnover Ratio[8]	3.17	3.67	4.85	-	-
Debt to Equity Ratio[9]	0.20	0.29	0.22	-	-
Inventory Turnover Ratio[10]	4.91	7.25	7.20	-	-

Notes:

1 *EBITDA is calculated as profit before tax plus depreciation and amortization expense plus finance cost less finance income and other income*

2 *EBITDA margin is calculated as EBITDA divided by revenue from operations*

3 *Profit After Tax Margin is calculated as profit after tax divided by revenue from operations.*

4 *ROE is calculated as profit after tax less share of profit / (loss) of minority interest divided by average Net Worth. Average Net Worth is calculated as average of Net Worth as of the first day of the relevant period and as of the last day of the relevant period.*

5 *ROCE is calculated as EBIT divided by capital employed. EBIT is calculated as profit before tax plus finance cost. Capital Employed represents Total Equity + Borrowings.*

6 *Current assets divided by Current Liabilities.*

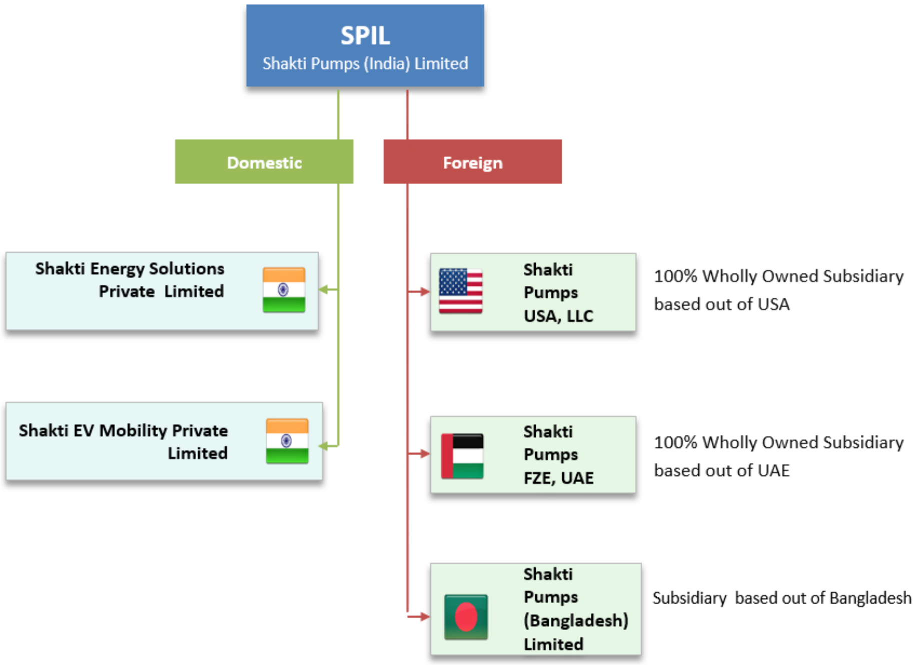
7 *Earnings available for debt service represents Profit Before Tax + Depreciation and Amortizations + Interest on Debt + Loss on Sale of Fixed Assets divided by Debt Service represents Interest on Debt + Scheduled Principal Repayment of Non Current Borrowings*

8 *Net Sales represents Domestic Sales + Export Sales + Scrap Sales divided by Average Trade Receivables.*

9 *Debt to Equity Ratio is calculated as total debt divided by Net Worth. Total debt is calculated as non-current borrowings plus current borrowing.*

10 *Inventory Turnover Ratio is calculated as revenue from operations divided by average inventory.*

Organisation Structure



SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

1. **Government Policies and Initiatives**

We depend on government policies and initiatives that support and enhance the economic feasibility of agriculture.

The government through various schemes open tender for companies to bid under the different category or schemes. Our company secures projects by submitting bids in government-issued tenders. The industry is highly competitive, and securing projects often demands not only competitive pricing but also a strong track record, technical expertise, and an understanding of evolving market trends. By critically evaluating our bidding strategies, enhancing our technical capabilities, and building strategic partnerships, we can work towards overcoming these challenges and progressively grow our business within the pump sector. We are presently participating in the PM Kusum Scheme for various states. For details on PM Kusum Scheme, see section "Industry – PM Kusum" on page 96 and "Our Business" on page 111. However, we cannot give assurance that in future we will be able to win bids for pump

Government regulations and policies of India as well as the countries to which we export our products can affect the demand for, and availability of our products. Our Company may face difficulties in successfully bidding for and winning contracts in the segment. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. Any changes in government such as the withdrawal of or changes in incentives and subsidies or anti-dumping duties levied by India or other countries, could adversely affect our business and results of operations in such jurisdictions. We are also subject to laws and government regulations, including in relation to safety, health, environmental protection and labour. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, and other aspects of our manufacturing operations. Further, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health. While we employ safety procedures in the operation of our manufacturing facilities, the operations may cause personal injury and loss of life, catastrophic damage or destruction of property and equipment as well as environmental damage, which could result in a suspension of operations and the imposition of civil or criminal liabilities.

2. **Capacity Expansion and our expansion plans**

In order to support our growth strategy, we are in the process to setup a new manufacturing facility at Pithampur, Madhya Pradesh. For further information, see–"*Our Objects*" on page 63.

As we continue our growth by expanding our existing manufacturing facilities and constructing new manufacturing facilities, we may encounter regulatory, personnel and other difficulties that may increase our expenses and reduce our profitability. Problems that could adversely affect our expansion plans include labour shortages, issues with procurement of equipment or machinery, increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facilities, delays in completion, defects in design or construction of our future manufacturing facilities, the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, incremental pre-operating expenses, taxes and duties, interest and finance charges, working capital margin, environment and ecology costs and other external factors which may not be within the control of our management. Given the substantial increase in our installed capacity and our planned capacity expansion plans, our financial results are and will not be directly comparable to historical figures on account of the expected commencement of commercial production once the facility is completed and commence commercial production. Further, we may experience a fluctuation in our financial results which can impact our future financial performance metrics with prior periods. Further, the actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes and technological changes.

3. **Procurement of solar panels**

We do not manufacture solar panels or Solar PV and source them from third party manufacturers. Solar PV module is a raw material used in the solar pump, which will indirectly impact the solar water pump market. The government of India has formed a free trade agreement with ASEAN countries to import solar modules into India to meet the demand. Under the free trade agreement, India could add 15 gigawatts of annual module imports by 2025 to meet the demand-supply gap in India. In India, the manufacturing capacity of solar PV is relatively low and is largely restricted to the last manufacturing stage due to a shortage of solar PV. Under the FTA, in the first two months of the financial year 2024, solar panel import rose to 568 megawatts against 267 megawatts. [*Source: TechSci Report*]

We may experience a shortage of Solar PV or increase in its costs in the event of sudden increase in demand or reduction in supply. We may also suffer increase in costs if there is a change in the import policy or customs duty with respect to Solar PV. For details on the risk related to raw materials, see "Risk Factors - Volatility in the supply and pricing of our raw material may have an adverse effect on our business, financial condition and results of operations. Our raw material suppliers could fail to meet their obligations, which may have a material adverse effect on our business, results of operations and financial condition” on page 41.

4. **Currency fluctuation**

We conduct most of our operations in India and the functional currency of our financial statements is Indian rupees. We also have subsidiaries in USA, UAE, and Bangladesh and export to over 100 countries where transactions are generally denominated in the respective entity’s functional currency. The results of operations of each of our subsidiaries operating in a jurisdiction outside of India is reported in the relevant functional currency and then translated to the rupee at the applicable currency exchange rates for inclusion in our financial statements.

Exchange rates between some of these currencies and the Indian rupee may fluctuate in the future, thereby impacting our results of operations and cash flows in rupee terms. Further, , we are exposed to foreign exchange risks since our business is dependent on imports and exports entailing large foreign exchange transactions, in currencies including the US Dollar, the Euro, the Taka and the Ugandan Shilling. Significant changes in the value of certain currencies relative to the currencies could also have an adverse effect on our financial condition, cash flows and results of operations. Accordingly, volatility in currency exchange rates may have a significant effect on the financial condition, cash flows or results of operations of our Company. For further details please see “Financial Statements – Audited Consolidated Financial Statements for the Fiscal 2023 - Notes to Account Note 38 (B) (4) (b)”–on page 179.

5. **Overall Economic Conditions**

Our results of operations are dependent on the overall economic conditions in the markets in which we operate. We expect that these economic factors and conditions, particularly changes in consumer confidence, employment levels, fuel prices, changes in consumer preferences, government policies and interest rates, will continue to be the most important factors affecting our results of operations.

In 2022, Russia’s invasion of Ukraine exacerbated the rise in the price of energy, food, and other commodities and widened global current account balances. According to the IMF, the global current account balance is projected to narrow, though this expectation is subject to considerable uncertainty. Moreover, the stronger dollar could widen the US current account deficit and increase global account balances. (Source: TechSci Report)

SIGNIFICANT ACCOUNTING POLICIES

1. **Basis of Preparation of Consolidated Financial Statements and significant accounting policies:**

1.1 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.

1.2 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 2023:

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 (Bangladesh) Limited.	Bangladesh	100%
Shakti Pumps (Shanghai) Limited.*	China	100%
Shakti Energy Solutions Private Limited	India	100%
Shakti EV Mobility Private Limited	India	100%

(Formerly known as Shakti Green Industries Private Limited) (Incorporated on December 16, 2021)		

**In the fiscal year 2024, we concluded and wound up the operations of our erstwhile subsidiary, Shakti Pumps (Shanghai) Co. Ltd.*

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".

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 is 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) 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.

1.3 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.

1.4 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.

1.5 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 recognised 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.

1.6 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.

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.

1.7 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	:	15 years

1.8 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.

1.9 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.

1.10 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.

1.11 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 in which they are incurred.

1.12 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.

1.13 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.

1.14 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.

1.15 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.

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.

1.16 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).

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.

1.17 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.

1.18 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.

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.

1.19 Revenue Recognition

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

As per Ind AS 115 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.

1.20 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.

1.21 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

1.22 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.

PRINCIPAL COMPONENTS OF INCOME

Income: Our total income includes revenue from operations and other income.

Revenue from Operations: We recognise revenue primarily from domestic sales, export sales and other operating income. The products sold are pumps and motors. We also generate operating revenue other operating income from export benefits, scrap sales and income from services.

Other income: Other income primarily includes interest income, rent received, foreign exchange gains and gains on sale of property, plant and equipment.

Expenses: Our expenses primarily include cost of material consumed, change in inventories of finished goods, stock-in trade and work-in-progress, employee benefits expenses, finance costs, depreciation and amortization expenses and other expenses.

Employee benefits expenses primarily include (i) salary, wages and bonus; (ii) contribution to provident and other funds; and (iii) staff welfare expenses.

Finance costs primarily include (i) interest expense to banks, (ii) interest to others and (iii) other borrowing costs.

Other expenses primarily include:
• Manufacturing expenses, power and fuel charges, job work expenses, clearing and forwarding charges, freight charges
• Selling and distribution expenses, advertising expense, ECGC Premiums and sale promotion expenses and carriage octroi
• Establishment expenses include among others rent, rates and taxes, auditors' remuneration, legal, professional and consultancy charges, travelling expenses, conveyance expenses, communication expenses, bad debts written off, doubtful debts/security deposits, donations and contributions, CSR expenses, insurance expenses, sitting fees and remuneration for directors, software maintenance expenses and miscellaneous expenses.

RESULTS OF OPERATIONS

The following table sets forth select financial data for the Financial Years 2023, 2022 and 2021 and nine-months period ended December 31, 2023 and 2022, the components of which are also expressed as a percentage of total income for such period / years.

Particulars	Fiscal Year 2023		Fiscal Year 2022		Fiscal Year 2021		For the nine months ended nine months ended December 31, 2023		For the nine months ended December 31, 2022	
	Amount(₹ in million)	*% of Total Revenue*	*Amount(₹ in million)*	*% of Total Revenue*	*Amount(₹ in million)*	*% of Total Revenue*	*Amount(₹ in million)*	*% of Total Revenue*	*Amount(₹ in million)*	*% of Total Revenue*
Revenue from Operations	9,676.83	99.66	11,785.35	99.48	9,296.61	99.60	7,614.62	99.65	7,850.24	99.66
Other Income	32.53	0.34	61.41	0.52	37.71	0.40	27.12	0.35	26.72	0.34
Total Revenue	9,709.36	100.00	11,846.76	100.00	9,334.33	100.00	7,641.74	100.00	7,876.96	100.00
Cost of Materials Consumed	7,446.05	76.69	9,544.56	80.57	6,383.88	68.39	5,982.77	78.29	6,141.32	77.97
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	(12.39)	(0.13)	(498.11)	(4.20)	182.95	1.96	(697.64)	(9.13)	(62.89)	(0.80)
Employee Benefits Expenses	534.01	5.50	524.12	4.42	436.37	4.67	462.99	6.06	414.25	5.26
Finance Costs	191.64	1.97	156.76	1.32	162.11	1.74	117.38	1.54	151.11	1.92
Depreciation and Amortisation Expense	184.02	1.90	185.75	1.57	183.65	1.97	142.20	1.86	139.39	1.77
Other Expenses	1,043.56	10.75	1,110.27	9.37	872.90	9.35	925.55	12.11	800.88	10.17
Total Expenses	9,386.89	96.68	11,023.35	93.05	8,221.86	88.08	6,933.24	90.73	7,584.05	96.28

Particulars	Fiscal Year 2023		Fiscal Year 2022		Fiscal Year 2021		For the nine months ended nine months ended December 31, 2023		For the nine months ended December 31, 2022	
	Amount(₹ in million)	*% of Total Revenue*	*Amount(₹ in million)*	*% of Total Revenue*	*Amount(₹ in million)*	*% of Total Revenue*	*Amount(₹ in million)*	*% of Total Revenue*	*Amount(₹ in million)*	*% of Total Revenue*
Profit/ (loss) before Exceptional Items and Tax	322.47	3.32	823.42	6.95	1,112.46	11.92	708.50	9.27	292.91	3.72
Exceptional Items	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Profit/ (loss) before tax	322.47	3.32	823.42	6.95	1,112.46	11.92	708.50	9.27	292.91	3.72
Tax Expense	81.16	0.84	175.26	1.48	356.60	3.82	187.99	2.46	74.08	0.94
Profit/ (loss) for the year/ period	241.32	2.49	648.16	5.47	755.86	8.10	520.51	6.81	218.84	2.78

Nine-month period ended December 31, 2023, compared to nine-month period ended December 31, 2022

Total Income

Our total income decreased by 2.99% to ₹7,641.74 million for nine-month period ended December 31, 2023 from ₹7,876.96 million for nine-month period ended December 31, 2022, on account of the factors discussed below.

Revenue from operations

Our revenue from operations decreased by 3.00% to ₹7,614.62 million for nine-month period ended December 31, 2023 from ₹7,850.24 million for nine-month period ended December 31, 2022, primarily due to decrease in revenue from domestic business by 8.93 % to ₹ 5463.37 for nine-month period ended December 31, 2023 from ₹5,999.30 million for nine-month period ended December 31, 2022. Decrease in other operating income by 4.29% to ₹183.98 Million for nine-month period ended December 31, 2023 from ₹192.23 Million for nine-month period ended December 31, 2022.

Other income

Our other income increased by 1.50% to ₹27.12 million for nine-month period ended December 31, 2023 from ₹26.72 million for nine-month period ended December 31, 2022, primarily due to interest income earned on fixed deposits.

Expenses

Our total expenses decreased by 8.58 % to ₹6,933.24 million for nine-month period ended December 31, 2023 from ₹ 7,584.05 million for nine-month period ended December 31, 2022, on account of the factors discussed below.

Cost of materials consumed: Our cost of material consumed decreased by 2.58% to ₹5,982.77 million for nine-month period ended December 31, 2023 from ₹6,141.32 million for nine-month period ended December 31, 2022, due to the decrease in the sales.

Changes in inventories of finished goods, stock in trade and work-in-progress: Our cost of changes in inventories of finished goods, stock-in trade and work-in-progress improved from ₹ (697.64) million for nine-month period ended December 31, 2023 as compared to ₹ (62.89) million for nine-month period ended December 31, 2022, primarily due to the increase in quantum of production of work in progress and finished good during the period.

Employee Benefit Expense: Our employee benefit expense increased by 11.77% to ₹462.99 million for nine-month period ended December 31, 2023 from ₹ 414.25 million for nine-month period ended December 31, 2022, primarily due additional manpower and increment during the year.

Finance Costs: Our finance costs decreased by 22.32% to ₹117.38 million for nine-month period ended December 31, 2023 from ₹151.11 million for nine-month period ended December 31, 2022, primarily due to decrease in interest expenses on account of lower utilisation of working capital spread over the period.

Depreciation and Amortization Expense: Our depreciation and amortization expenses increased by 2.01 % to ₹142.20 million for nine-month period ended December 31, 2023 from ₹139.39 million for nine-month period ended December 31, 2022, primarily due to increase in addition to fixed asset spread over the period.

Other Expenses: Our other expenses increased by 15.57 % to ₹925.55 million for nine month period ended December 31, 2023 from ₹800.88 million for nine month period ended December 31, 2022, primarily due to increase in freight charges, business promotion expenses, advertisement and publicity, increase in management fees, administrative and travelling expenses and miscellaneous expenses.

Tax Expense

Our tax expenses increased by 153.78% to ₹187.99 million for nine-month period ended December 31, 2023 from ₹74.08 million for nine-month period ended December 31, 2022, primarily due to increase in profits before tax.

Profit for the Year

As a result of the foregoing factors, our profit for the year increased by 137.85 % to a profit of ₹520.51 million for nine-month period ended December 31, 2023 from a profit of ₹218.84 million for nine-month period ended December 31, 2022.

Fiscal 2023 compared to Fiscal 2022

Income

Our total income decreased by 18.04 % to ₹9,709.36 million for Fiscal 2023 from ₹11,846.76 million for Fiscal 2022, on account of the factors discussed below.

Revenue from operations

Our revenue from operations decreased by 17.89 % to ₹9,676.83 million for Fiscal 2023 from ₹11,785.35 million for Fiscal 2022, primarily due to decrease in revenue from domestic business by 26.37 % to ₹7,108.03 million for Fiscal 2023 from ₹9,653.31 million for Fiscal 2022. This decrease was primarily due to the slow offtake of PM KUSUM - II orders on account of margins concerns. The revenue from export sales increased by 25.62 % to ₹2,325.41 million for Fiscal 2023 from ₹1,851.12 million for Fiscal 2022.

Other income

Our other income decreased by 47.03% to ₹32.53 million for Fiscal 2023 from ₹61.41 million for Fiscal 2022, primarily due to decrease in interest income earned on fixed deposits.

Expenses

Our total expenses decreased by 14.85 % to ₹9,386.89 million for Fiscal 2023 from ₹11023.35 million for Fiscal 2022, on account of the factors discussed below.

Cost of materials consumed

Our cost of material consumed decreased by 21.99 % to ₹7,446.05 million for Fiscal 2023 from ₹9,544.56 million for Fiscal 2022 due to decrease in production quantum with respect to decrease in quantum in sales.

Changes in inventories of finished goods, stock in trade and work-in-progress

Our cost of changes in inventories of finished goods, stock-in trade and work-in-progress decreased by 97.51% at ₹ 12.39 million for Fiscal 2023 from ₹498.11 million for Fiscal 2022, primarily due to decrease in closing stock on account of decrease in production.

Employee Benefit Expense

Our employee benefit expense increased by 1.90 % to ₹534.01 million for Fiscal 2023 from ₹524.12 million for Fiscal 2022, primarily due to increase in annual increase in salaries & wages.

Finance Costs

Our finance costs increased by 22.2 % to ₹191.64 million for Fiscal 2023 from ₹156.76 million for Fiscal 2022, primarily due to high utilisation of working capital facility.

Depreciation and Amortization Expense

Our depreciation and amortization expenses marginally decreased by 0.93% to ₹184.02 million for Fiscal 2023 from ₹185.75 million for Fiscal 2022, primarily due to the life-span of dies and tools, plant and machinery, buildings, etc.

Other Expenses

Our other expenses decrease by 6.01 % to ₹1043.56 million for Fiscal 2023 from ₹1110.27 million for Fiscal 2022, primarily due to lower spend on selling and distribution expenses due to decrease in sales.

Tax Expense

Our tax expenses decreased by 53.70 % to ₹81.16 million for Fiscal 2023 from ₹175.26 million for Fiscal 2022, primarily due to decrease in profits before tax.

Profit for the Year

As a result of the above factors, our profit for the year decreased by 62.77% to a profit of ₹241.32 million for Fiscal 2023 from a profit of ₹648.16 million for Fiscal 2022.

Fiscal 2022 compared to Fiscal 2021

Income

Our total income increased by 26.92 % to ₹11846.76 million for Fiscal 2022 from ₹9,334.33 million for Fiscal 2021, on account of the factors discussed below.

Revenue from operations: Our revenue from operations increased by 26.77 % to ₹11,785.35 million for Fiscal 2022 from ₹9,296.61 million for Fiscal 2021, primarily due to increase in domestic sales by 32.05 % to ₹9,653.31 million for Fiscal 2022 from ₹7,310.29 million for Fiscal 2021 and increase in operating income by 50.90 % to ₹280.92 million for Fiscal 2022 from ₹186.16 million for Fiscal 2021. The revenue from export sales increased by 2.83 % to ₹1,851.12 million for Fiscal 2022 from ₹1,800.02 million for Fiscal 2021.

Other income: Our other income increased by 62.85% to ₹61.41 million for Fiscal 2022 from ₹37.71 million for Fiscal 2021, primarily due to increase in interest on fixed deposits and other bank balances.

Expenses

Our total expenses increased by 34.07 % to ₹11,023.35 million for Fiscal 2022 from ₹8,221.86 million for Fiscal 2021, on account of the factors discussed below.

Cost of materials consumed: Our cost of material consumed increased by 49.51 % to ₹9,544.56 million for Fiscal 2022 from ₹6,383.88 million for Fiscal 2021 on account of higher revenue.

Changes in inventories of finished goods, stock in trade and work-in-progress: Our cost of changes in inventories of finished goods, stock-in trade and work-in-progress declined to ₹(498.11) million in Fiscal 2022 from ₹182.95 million for Fiscal 2021, primarily due to increase in finished stock.

Employee Benefit Expense: Our employee benefits expense increased by 20.11 % to ₹524.12 million for Fiscal 2022 from ₹436.37 million for Fiscal 2021, primarily due to increase in salaries and wages.

Finance Costs: Our finance costs decreased by 3.3 % to ₹156.76 million for Fiscal 2022 from ₹162.11 million for Fiscal 2021, primarily due to repayment of long term borrowings during the financial year.

Depreciation and Amortization Expense: Our depreciation and amortization expenses increased by 1.14 % to ₹185.75 million for Fiscal 2022 from ₹183.65 million for Fiscal 2021, primarily due to increase in addition in property, plant and equipment.

Other Expenses: Our other expenses increased by 27.19 % to ₹1,110.27 million for Fiscal 2022 from ₹872.90 million for Fiscal 2021, primarily due to increase in business promotion expenses, advertisement and publicity, freight expenses and miscellaneous expenses.

Tax Expense

Our tax expenses decreased 50.85 % from ₹356.60 Million for Fiscal 2021 to ₹175.26 Million for Fiscal 2022, primarily due to decrease in profits before tax.

Profit for the Year

As a result of the above factors, our profit for the year decreased by 14.25 % to a profit of ₹648.16 million for Fiscal 2022 from a profit of ₹755.86 million for Fiscal 2021.

LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations primarily through debt financing and funds generated from our operations. From time to time, we have obtained loan facilities to finance our short-term working capital requirements. As at March 31, 2023, we had ₹2,436.82 million in current trade receivables, ₹110.45 million in cash and cash equivalents and ₹ 63.67 million in other bank balances.

CASH FLOWS

The following table sets forth certain information relating to our cash flows in the periods indicated:

In ₹ million

Particulars	Fiscal Year		
	2023	2022	2021
Net cash flow from operating activities	386.86	169.95	1412.04
Net cash flow from investing activities	(120.25)	(76.03)	1.50
Net cash flow from financing activities	(468.66)	2.84	(1263.83)
Net increase/(decrease) in cash and cash equivalents	(202.05)	96.76	149.72

Operating Activities

Net cash flows from operating activities were ₹386.86 million for Fiscal 2023. While our net profit before tax was ₹322.47 million, we had operating profit before changes in working capital of ₹662.96 million primarily as a result driven from Total Revenue of ₹9,709.36 million and after Net of Expenses(other than Non-cash transaction and Non-operating transaction) of ₹9,046.40 million . Our working capital adjustments for Fiscal 2023 primarily consisted of Changes in Trade and Other Receivables of ₹1151.68 Million, Changes in inventories of ₹85.24 Million and Changes in Trade & Other payables of ₹(1310.29) Millions. Our income tax paid/refunded for Fiscal 2023 amounted to ₹(202.73) million.

Net cash flows used in operating activities were ₹169.95 million for Fiscal 2022. While our net profit before tax was ₹ 823.42 million, we had operating profit before changes in working capital of ₹1,123.42 million primarily due to result driven from Total Revenue of ₹11,846.76 million and after Net of Expenses (other than Non-cash transaction and Non-operating transaction) of ₹10,723.35 million Our working capital adjustments for Fiscal 2022 primarily consisted of Changes in Trade and Other Receivables of ₹(1255.87) Million, Changes in inventories of ₹(824.20) Million and Changes in Trade & Other payables of ₹1220.73 Millions. Our income tax paid/refunded for Fiscal 2022 amounted to ₹(94.13) million.

Net cash flows from operating activities were ₹1,412.04 million for Fiscal 2021. While our net profit before tax was ₹1,112.46 million, we had operating profit before changes in working capital of ₹1,411.91 million primarily due to result driven from Total Revenue of ₹9,334.33 million and after Net of Expenses (other than Non-cash transaction and Non-operating transaction) of ₹7,922.42 million. Our working capital adjustments for Fiscal 2021 primarily consisted of Changes in Trade and Other Receivables of ₹(1431.73) Million, Changes in inventories of ₹111.45 Million and Changes in Trade & Other payables of ₹1544.66 Millions. Our income tax paid for Fiscal 2021 amounted to ₹(224.25) million.

Investing Activities

Net cash flows used in investing activities were ₹(120.25) million for Fiscal 2023, primarily comprising of purchase of property, plant and equipment of ₹(234.40) million, purchase of intangible assets of ₹(2.23)million, movement in capital work-in-progress of ₹(9.48)million, sale of fixed assets of ₹45.47 million, movement in advance for capital goods of ₹(2.08) million, interest received of ₹12.64 million and redemption with banks of ₹69.84 million.

Net cash flows used in investing activities were ₹(76.04) million for Fiscal 2022, primarily comprising of purchase of property, plant and equipment of ₹(208.77) million, purchase of intangible assets of ₹(73.80) million, purchase movement in capital work-in-progress of ₹15.51 million, sale of fixed assets of 46.45 million, movement in advance for capital goods of ₹(0.70) million, interest received of ₹27.34 million and redemption with banks of ₹65.47 million.

Net cash flows used in investing activities were ₹1.50 million for Fiscal 2021, primarily comprising of purchase of property, plant and equipment of ₹(124.92) million, purchase of intangible assets of ₹(6.45) million, movement in capital work-in-progress of ₹(0.64) million, sale of fixed assets of ₹5.85 million, movement in advance for capital goods of ₹(0.28) million, interest received of ₹7.80 million and (deposits)/redemption with banks of ₹120.14 million.

Financing Activities

Net cash flows generated from financing activities was ₹(468.66) million for Fiscal 2023, primarily comprising of repayment of long-term borrowings of ₹(95.88) million, repayment from short term borrowings of ₹(220.23) million, dividend paid of ₹(36.76) million and interest paid of ₹(115.80) million.

Net cash flows generated from financing activities was ₹2.84 million for Fiscal 2022, primarily comprising of repayment of long-term borrowings of ₹(125.86) million, proceeds/(repayment) from short term borrowings of ₹388.46 million, dividend paid of ₹(147.04) million and interest paid of ₹(112.72) million.

Net cash flows generated from financing activities was ₹(1263.83) million for Fiscal 2021, primarily comprising of repayment of long-term borrowings of ₹(78.28) million, proceeds/(repayment) from short term borrowings of ₹(1092.41) million, Proceeds from Long Term Borrowings 29.00 million and interest paid of ₹(122.13) million.

CONTINGENT LIABILITIES AND COMMITMENTS

As of December 31, 2023, our contingent liabilities and commitments were as follows:

(in ₹ million)

Particulars	As of December 31, 3023
Unexpired Letter of Credit	1761.61
Bank Guarantee	1813.38
Commercial Tax Demand under Dispute	2.83
Income Tax Demand Under Dispute	77.39
Custom Duty Demand Under Dispute	25.28
Less : Provision for Doubtful	(28.05)
Total	3652.44

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

CAPITAL EXPENDITURE

Our capital expenditure primarily comprises expenditure incurred towards expansion and optimization of our manufacturing facilities in research and development unit and other than research and development uint During the Fiscals 2023, 2022 and 2021, our capital expenditure was ₹ 161.64 Million, ₹ 170.95 Million and ₹ 120.83 Million, respectively.

RELATED PARTY TRANSACTIONS

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions for the fiscals 2023, 2022 and 2021, see "Financial Information – Fiscal 2023 Audited Consolidated Financial Statements – Note 37 ", "Financial Information – Fiscal 2022 Audited Consolidated Financial Statements - Note 38 " and "Financial Information – Fiscal 2021 Audited Consolidated Financial Statements - Note 36 ".

AUDITOR'S OBSERVATIONS

There have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our statutory auditors in their auditor's reports on the audited consolidated financial statements as of and for the years ended March 31, 2023, 2022 and 2021 and in their report on the unaudited consolidated financial results as of and for the nine months ended December 31, 2023.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our management monitors and manages key financial risk relating to our operations by analysing exposures by degree and magnitude of risk. The risks include market risk (including interest rate risk, currency risk and other price risk such as commodity price risk, credit risk and liquidity risk. Our Board of Directors has overall responsibility for the establishment and oversight of our risk management framework. Our risk management policies are established to identify and analyse the risks faced by us, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and our activities.

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.

Foreign Currency 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)

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.

Commodity Price Risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the purchase of raw material and manufacturing of motor pumps and therefore require a continuous supply of certain raw materials such as stainless steel, aluminium, coil, duplex shaft, carbon bush, carbon plate etc., To mitigate the commodity price risk, the Company has an approved supplier base to get best competitive prices for the commodities and to assess the market to manage the cost without any compromise on quality.

Credit Risk

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.

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.

Liquidity Risk

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.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Preliminary Placement Document, to our knowledge, there have been no unusual or in frequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

SIGNIFICANT ECONOMIC CHANGES AND KNOWN TRENDS OR UNCERTAINTIES

To our knowledge, except as disclosed in this Preliminary Placement Document, there are no known trends or uncertainties which we expect to have a material adverse effect on our income.

FUTURE RELATIONSHIP BETWEEN COST AND REVENUE

Other than as described in "Risk Factors", "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 40, 111 and 73, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

NEW PRODUCTS OR BUSINESS SEGMENTS

Other than as disclosed in this section and in "Business" on page 111, we have recently entered into new segment like EV motor, controller and chargers through our subsidiary (Shakti EV Mobility Private Limited) which is expected to have a material impact in future on our business prospects, results of operations or financial condition.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See "Risk Factors", "Industry Overview", "Business" and on pages 40, 93 and [111 respectively, for further details on competitive conditions that we face across our various business segments.

SIGNIFICANT DEPENDENCE ON CUSTOMERS AND SUPPLIERS

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers.

SEGMENT REPORTING

The Company has reportable segments on the basis of geographies which are India & Overseas

SEASONALITY OF BUSINESS

Our business is not seasonal in nature.

SIGNIFICANT DEVELOPMENTS AFTER DECEMBER 31, 2023 THAT MAY AFFECT OURFUTURE RESULTS OF OPERATIONS

Other than as disclosed in this Preliminary Placement Document, including under "Business", "Risk Factors" and in this section, to our knowledge no circumstances have arisen since the date of the last financial information of December 31, 2023, disclosed in this Preliminary Placement Document which materially and adversely affect or are likely to affect, our trading or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months.

INDUSTRY OVERVIEW

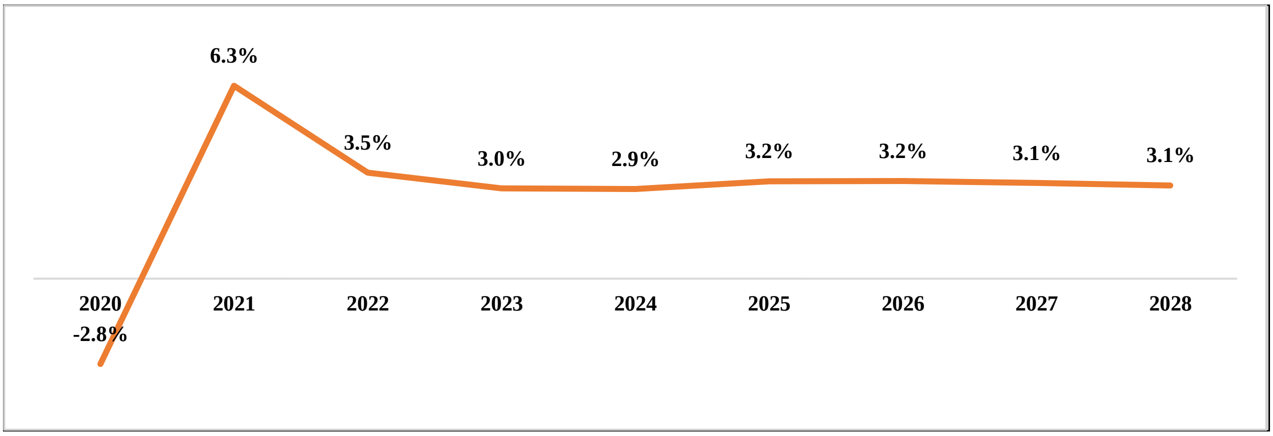
Unless otherwise indicated, the information contained in this section is taken from the report titled "Indian Pumps Industry Overview" dated March 11, 2024, prepared by M/s New Age TechSci Research Private Limited ("TechSci Report") and commissioned by our Company from M/s New Age TechSci Research Private Limited. Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

The recipient should not construe any of the contents in this section or the TechSci Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. While preparing its report, TechSci may have also sourced information from publicly available sources, including our Company's financial information available publicly. However, financial information relating to our Company presented in other sections of this Preliminary Placement Document has been prepared in accordance with Ind AS. Accordingly, the financial information of our Company in this section is not comparable with Ind AS financial information presented elsewhere in this Preliminary Placement Document.

Global Macroeconomic Overview

Global growth recovered from the COVID-19 pandemic from -2.8% in 2020 to 6.3% in 2021 but fell to 3.5% and 3.0% in 2022 and 2023, respectively, due to the cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the continued COVID-19 pandemic. However, according to IMF projection, global growth is projected at 2.9% in 2024 and 3.2% in 2025 on account of greater resilience in the United States, several large emerging market and developing economies, fiscal support in China, the decline in interest rates, the decline in fuel and nonfuel commodity prices.

Global GDP Trend

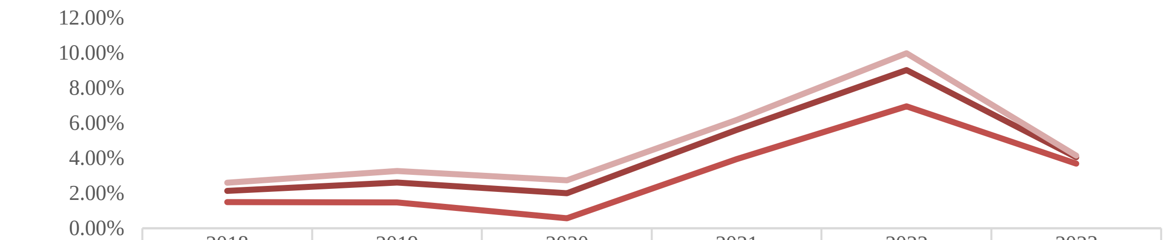


Source: International Monetary Fund – World Economic Outlook October 2023

Global Economic Performance

Global Inflation

Globally, inflation fell faster than expected in 2023 amid favorable global supply developments. However, inflation was at its peak in 2022. The decline in inflation was due to an ease in labor market tightness, restrictive policy interest rates by the major central banks, and eased fiscal policy by the government in advanced economies.



	2018	2019	2020	2021	2022	2023
Global	2.14%	2.61%	2.00%	5.61%	9.03%	4.05%
AEs	1.49%	1.47%	0.57%	3.95%	6.96%	3.69%
EMDEs	2.60%	3.26%	2.74%	6.17%	9.99%	4.14%

Source: International Monetary Fund, world economic outlook update, January 2024

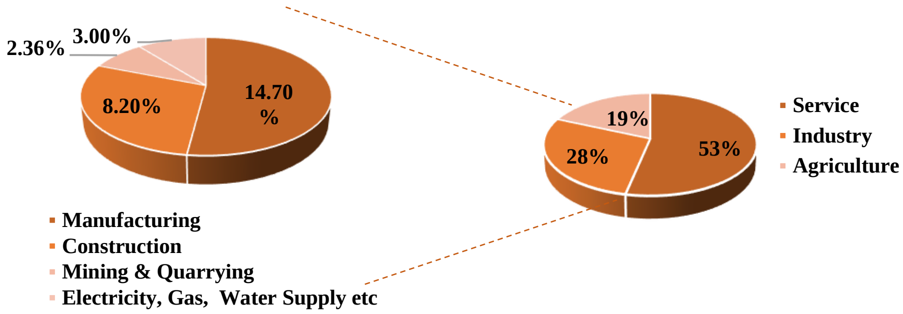
Indian Macroeconomic Overview

India is a developing mixed economy on a growth trajectory. It is the world's fifth-largest economy by nominal gross domestic product (GDP) and third largest by purchasing power parity (PPP). Since its economic liberalization in 1991, India has achieved 5%—7% average GDP growth annually. The World Bank has estimated India's GDP growth to be 6.3% during FY 2023-24.

As per the IMF, India is likely to become the third-largest economy in 2027 (in USD at market exchange rate), and it is also estimated that India's contribution to global growth will rise by 200 basis points in 5 years. Moreover, various international agencies such as the World Bank, the IMF, OECD, and ADB project India to grow 6.4 percent, 6.3 percent, 6.1 percent, and 6.7 percent, respectively, in 2024-25.

India Sector-Wise GDP Contribution, 2023

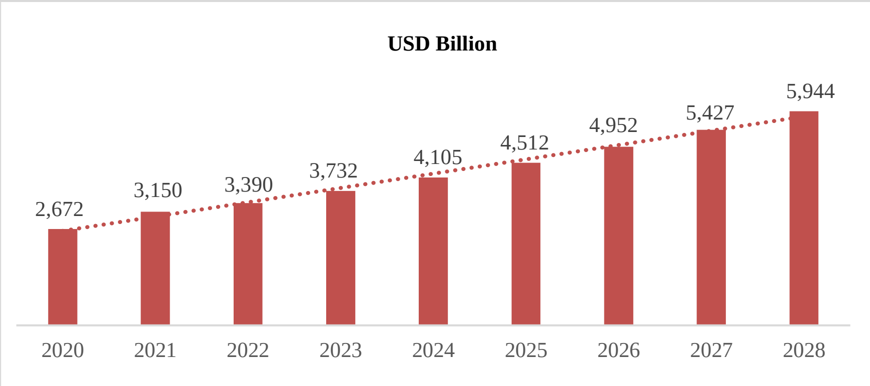
The service sector contributes the highest to India's GDP, i.e. 53%, whereas the industry sector holds a remarkable position in the Indian economy, contributing about 28% of India's total GDP. Out of 28% of the industry sector, manufacturing contributes 14.70%, construction 8.20%, Mining and quarrying 2.36%, and electricity, gas, water supply, etc., contribute 3%. The agriculture sector contributes 19% of India's GDP. The agriculture sector in India has grown at an average annual growth rate of 4.6% during the last six years. Various reforms such as Soil Health Cards, the Micro Irrigation Fund, the Agri Infrastructure Fund (AIF), the Cluster Development Programme (CDP), etc., contribute to the agricultural sector's growth.



Source: Ministry of Statistics and Programme Implementation

India is expected to become a global manufacturing hub due to the implementation of various programs and policies. In the chemicals (Other Than Fertilizers), the total FDI inflows from April 2000 to September 2023 is USD 21,714 million.

India GDP Trend



Source: International Monetary Fund, World Economic Outlook October 2023

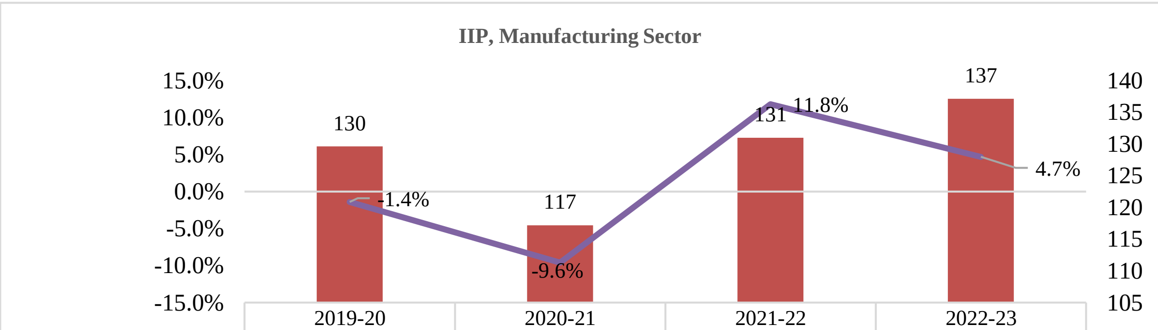
- India's GDP was higher than expected, 17.9%, in 2021. From 2020 onwards, India has reported robust economic growth due to robust growth in the manufacturing and construction sectors. According to the Ministry of Statistics & Programme Implementation, the construction sector had a double-digit growth rate (10.7%) in FY24, followed by a reasonable growth rate in the manufacturing sector (8.7%).

- In the forecast period, the IMF has projected that India's economy will expand by 9.9% in 2025. Its economic growth will continue to be resilient, considering policy continuity after the general election in 2024, continued focus on infrastructure development, and India's ambition to achieve 500 gigawatts (GW) of renewable energy capacity by 2030, including 280 GW of solar energy.

- Agriculture is experiencing robust growth in line with past trends. The area sown with winter crops in January 2023 was 3% higher than a year earlier. The government increased its target for subsidized agriculture credit by 11% to INR 20 trillion. Higher incomes in the agriculture sector boost demand, which can act as a momentum for the manufacturing of solar and submersible water pumps.

India's Economic Performance

India Index in Industrial Production, Manufacturing Sector

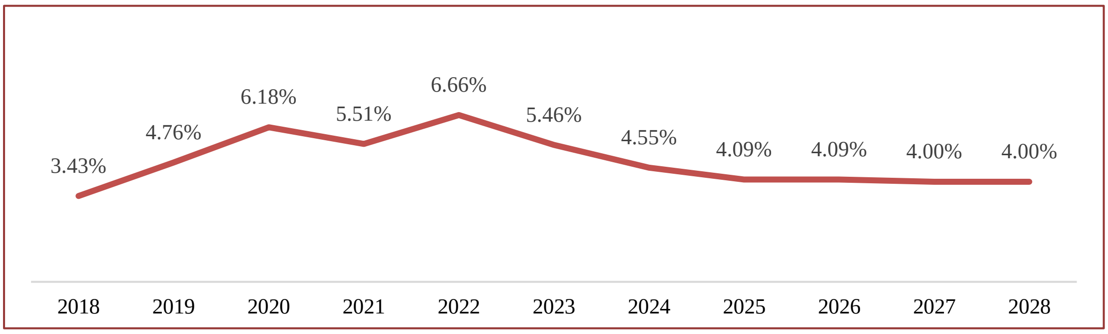


	2019-20	2020-21	2021-22	2022-23
Manufacturing	130	117	131	137
Growth Rate	-1.4%	-9.6%	11.8%	4.7%

Source: Ministry of Statistics and Programme Implementation
Note: Base (2011-12)

It is reported that the manufacturing sector in India has performed well, except in FY 2021. The outbreak of the COVID-19 pandemic and the economic slowdown have impacted India's manufacturing sector. However, India's Industrial Production Indices for the manufacturing sector were lowest because of the COVID-19 pandemic outbreak. There was a decline of -0.4% from March 2020 to April 2020. It is reported that there has been steady growth in industrial production in the manufacturing sector from May 2020 onwards due to the government's various initiatives and policies, such as Make in India, PLI Scheme, Atmanirbhar Bharat, etc. Industrial Production for manufacturing sector indices stood at 87.6 in May 2020 and reached at 117.3 in December 2020.

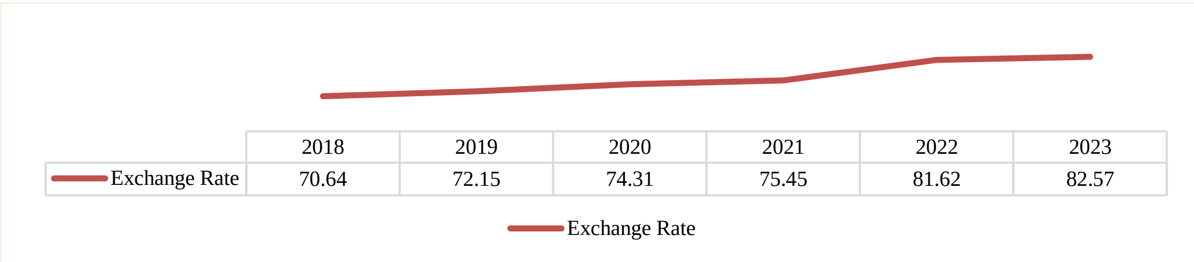
India Inflation



Source: International Monetary Fund, World Economic Outlook October 2023

India's inflation was high between 2020 and 2022 due to the COVID-19 pandemic, geopolitical events such as the Russia-Ukraine war and their influence on supply chains, and the volatility in international financial markets and commodity prices. The Spike in the prices of essential food items, which have doubled in most cases across India, has been attributed to geographical anomalies like heatwaves and pestilence.

Exchange Rate



Source: CBIC website

Over the years, the Indian rupee has depreciated against the US dollar as India's trade deficit expanded and capital inflow weakened. However, the exchange rate plays a vital role in the growth of various industries, including the pump industry. In the last two years, there has been commendable growth in exports in India, which is estimated to reach USD 1 trillion by FY2028.

Key Factors Impacting Business Environment (including Pumps Industry), India and Globally

Economic Factors

- Economic indicators such as GDP growth, inflation rates, unemployment rates, interest rates, tax rates, exchange rates, wages, recession, government activities, laws & policies significantly affect businesses worldwide. Economic downturns can reduce consumer spending and investment, impacting businesses across various sectors.

- Inflation can lead to an increase in the cost of raw materials and consumer purchasing power. Raw materials such as metals, plastics, cast iron, copper, electronics, stainless steel, and titanium are used in manufacturing both solar and submersible water pumps. Globally, it is projected that global prices are set to rise by more than 75% by 2026 on account of mining supply disruptions and higher demand for the metal, fuelled by the push for renewable energy. The increase in copper will impact the price of the pump across the globe.

Government Policies, Political and Legal Factors

- Political stability, government policies, trade agreements, legal systems, and the rule of law profoundly impact businesses. Changes in regulations, tariffs, or government leadership can help or hinder a business's ability to conduct business.

  For Instance, the Government of India introduced the PM- KUSUM scheme in 2019 to increase the country's solar water pump manufacturing capacity. It aims to install 14 lakh stand-alone solar agriculture pumps across India under component B, and Solarisation of 35 Lakh Grid Connected Agriculture Pumps including Feeder Level Solarization under component C. The Government of India has plans to implement entire PM KUSUM scheme by till 31 March 2026. This scheme has benefited various solar water pump manufacturers.

Technological Factors

- Companies depend intensely on technology to become more competitive in the market. Variable Frequency Drives (VFDs), Smart Pumps, Energy-Efficient Motors, Remote Monitoring, Improved Materials.

- Smart technologies and digitalization have changed the submersible and solar pump markets. Manufacturers are developing pumps with more durable and corrosion-resistant materials, such as ceramic, titanium, and composite materials.

- Pumps connected with sensors, IoT, and modern control systems to gather and analyze data, better water management, and capture live data, which assist pump manufacturers and users in identifying potential problems before they occur, improving maintenance practices, and optimizing pump performance.

- Digitalization has also made it feasible to remotely operate and monitor pumps, decreasing the need for on-site visits and physical intervention. This has enhanced the efficiency and dependability of submersible and solar pumps and opened new opportunities for their usage in various sectors.

Environmental Factors

- Growing awareness of environmental and sustainability concerns shapes consumer preferences and regulatory frameworks. Pump manufacturers are under pressure to adopt sustainable practices and reduce carbon footprints.

- Pump manufacturers are exploring ways to reduce the environmental impact of pumps, like using more eco-friendly materials, designing pumps that consume less energy, and focusing on reducing the amount of waste generated during the pump's life cycle, which includes using recyclable materials in the pump's construction, designing pumps that require less maintenance, and providing recycling options for old pumps at the end of their life cycle.

Geopolitical Risks

- Political instability, conflicts, trade tensions, and international disputes disrupted global supply chains and affected businesses across the globe. For instance, various international trade conflicts, Russia- Ukraine war, Israel, and Hamas impacted the global economy.

Natural Disasters

- Natural Disasters, such as the COVID-19 pandemic, have profound impacts on businesses globally, disrupting supply chains, consumer behavior, and economic activities. According to the United Nations, there was a 9% year-on-year fall in global production and manufacturing output.

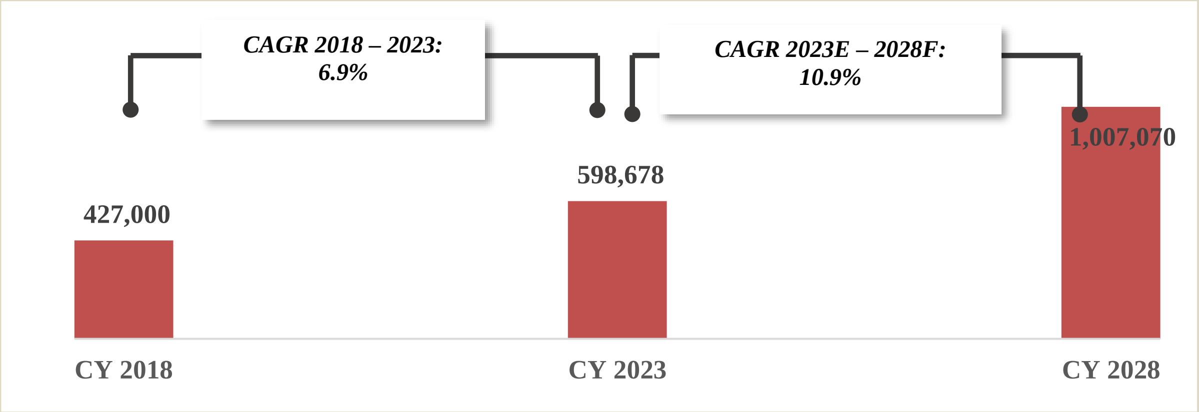
Pumps Industry Overview

The escalating demand in the oil and gas sector will lead to various planned offshore deepwater projects worldwide, expected to drive the submersible and solar water pump market over the next few years. Over the past few years, the pump manufacturing sector has witnessed the combination of technology and computer modeling, which has led to progressive in pump design, repair, and replacement. Advancements in technology and the advantage of solar pumps over submersible pumps drive the solar pump market and provide opportunities for the future. Solar water pumps are especially advantageous in rural areas due to power supply disruption for 5 to 7 hours. Water pumps running on fossil fuel are not sustainable, and their rising costs drive the demand for solar power water pumps.

The Indian pump market has been reliable and mature for years and has been growing steadily. Its price competitiveness and technological consistency give it a competitive advantage. Indian domestic players mainly cater to countries such as Italy, China, the United States, the Netherlands, the United Kingdom, etc. These countries also primarily use submersible and solar water pumps in agriculture, industry, and the building sector.

The domestic submersible and solar pump manufacturers exhibit both vertical and horizontal integration. Both vertical and horizontal integrations in manufacturing strategies are prevalent in the Indian pump industry. Many foreign players have extended technical collaborations and joint ventures with Indian manufacturers, thus enhancing the technical know-how within the country.

Global Pumps Market Size, By Value CY2018-CY2028F, INR Crore

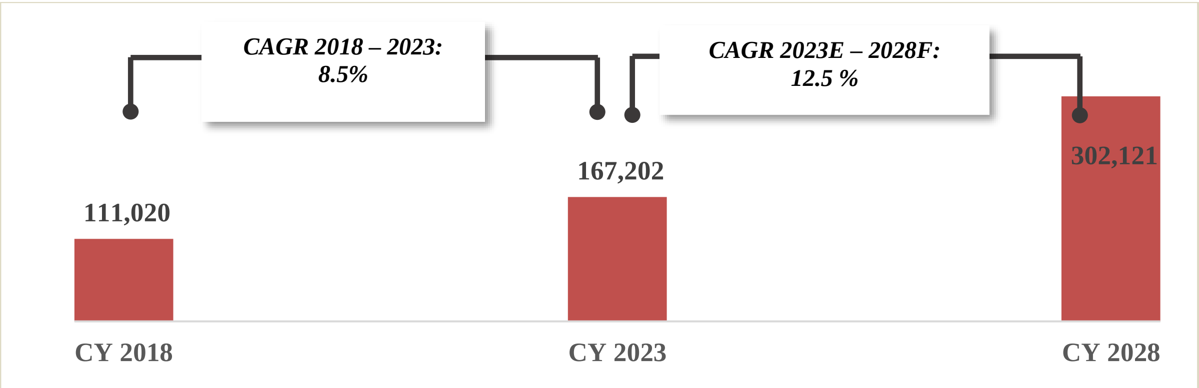


Source: TechSci Research

The global pump market, valued at 5,98,678 INR crore in CY2023, is poised for significant growth and is projected to reach a staggering 10,07,070 INR crore by CY2028. Increasing requirements from end-use industries, infrastructure development in emerging regions, and substantial investments in wastewater treatment worldwide drive this robust growth. The 6th goal of the United Nations' Sustainable Development (UN SDG) is a crucial driver in the pump market. It underscores universal and equitable access to clean water, aiming to enhance water quality by curbing pollution and eliminating hazardous chemicals and materials dumping by 2030.

Ongoing industrialization and infrastructure projects, particularly in emerging economies, drive the demand for pumps in various applications such as water supply, wastewater treatment, and construction. Aging infrastructure and the need for more efficient and reliable pump systems drive replacement and upgrade activities in various countries. The increasing focus on water conservation and the need for efficient water and wastewater management systems also contribute to the demand for pumps. Government initiatives and investments are pivotal in shaping the global pump market. Their focus on sectors such as wastewater treatment, renewable energy, agriculture, oil & gas, metal & mining, textile, chemical, construction, and manufacturing has a positive and lasting impact on the market's stability and growth. This reassures industry professionals about the market's potential and sustainability.

Global Submersible Pumps Market Size, By Value CY2018-CY2028F, INR Crore

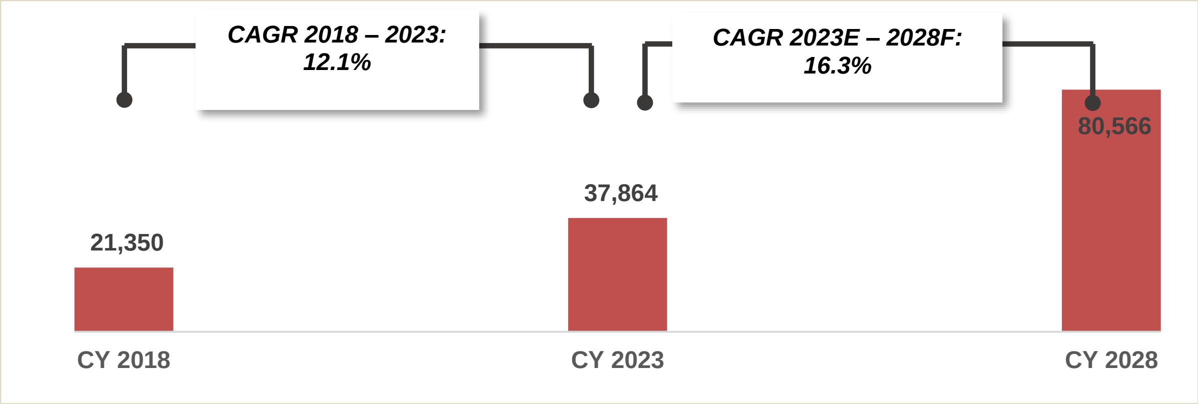


Source: TechSci Research

The global submersible pumps market, valued at INR 1,11,020 crore in CY2018, has witnessed remarkable growth, reaching INR 1,67,202 crore in CY2023. This upward trajectory is projected to continue, with the market expected to surge to INR 3,02,121 crore by 2028, reflecting a robust CAGR of 12.5% during CY2023-CY2028F. Substantial investments in water infrastructure projects, urbanization, and the escalating demand in various industries primarily drive this promising growth.

The expansion of agricultural activities, particularly in emerging economies, and the increasing demand for submersible pumps in various industries such as mining, construction, oil & gas, and manufacturing underscore the crucial role of these pumps in dewatering, fluid transfer, and other applications. Moreover, stringent government regulations regarding water conservation, environmental protection, and energy efficiency, coupled with water scarcity issues in several regions due to climate change and population growth, highlight the urgent need for efficient water management solutions, further driving the market growth.

Global Solar Pumps Market Size, By Value CY2018-CY2028F, INR Crore



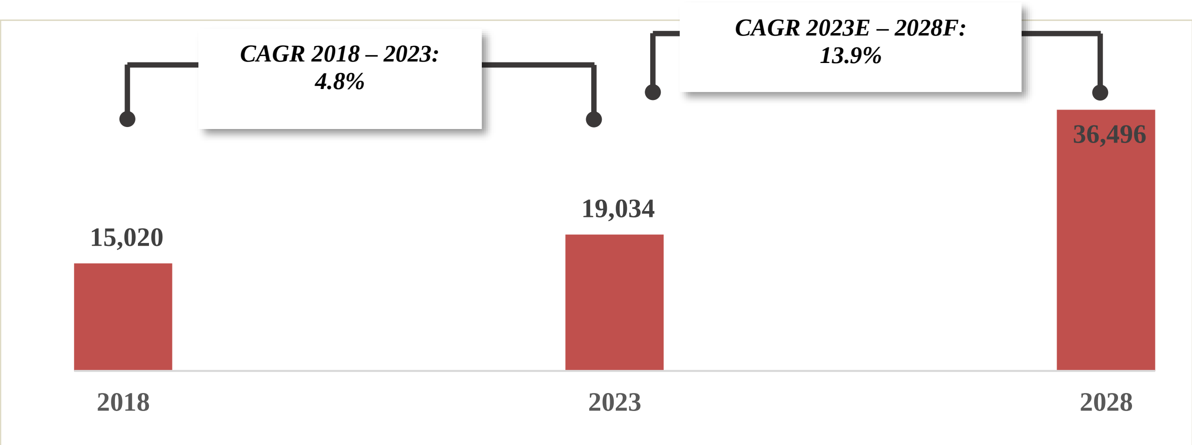
Source: TechSci Research

The global solar pump market has experienced remarkable growth, starting at INR 21,350 crore in CY2018 and soaring to INR 37,864 crore in CY2023. This upward trajectory is projected to continue, with the market expected to reach INR 80,566 crore by 2028, reflecting a robust CAGR of 16.3% during CY2023-CY2028F. The driving forces behind this growth are manifold, including the increasing demand for irrigation, government support through incentives and subsidies, the energy efficiency and cost savings offered by solar pumps, the pressing issues of water scarcity and climate change, and the need for rural electrification and off-grid applications.

In regions blessed with abundant sunlight and economies reliant on agriculture, the demand for solar pumps for irrigation is rising. This trend is driven by the numerous benefits solar-powered irrigation systems offer farmers. These systems present a cost-effective and sustainable alternative to traditional diesel or electric pumps, particularly in remote areas with limited access to the power grid. By adopting solar pumps, farmers can significantly reduce their operational costs and contribute to a greener, more sustainable future.

Furthermore, governments worldwide are pivotal in promoting the adoption of solar energy, including solar pumps. They are doing so by offering a range of incentives, subsidies, and favourable policies. These measures often include subsidies on equipment purchases, attractive financing options, and tax credits. Such initiatives significantly reduce the upfront costs of investing in solar pumping systems and serve as a strong incentive for individuals and businesses to embrace this sustainable energy solution.

India Pumps Market Size, By Value FY2018-FY2028F, INR Crore

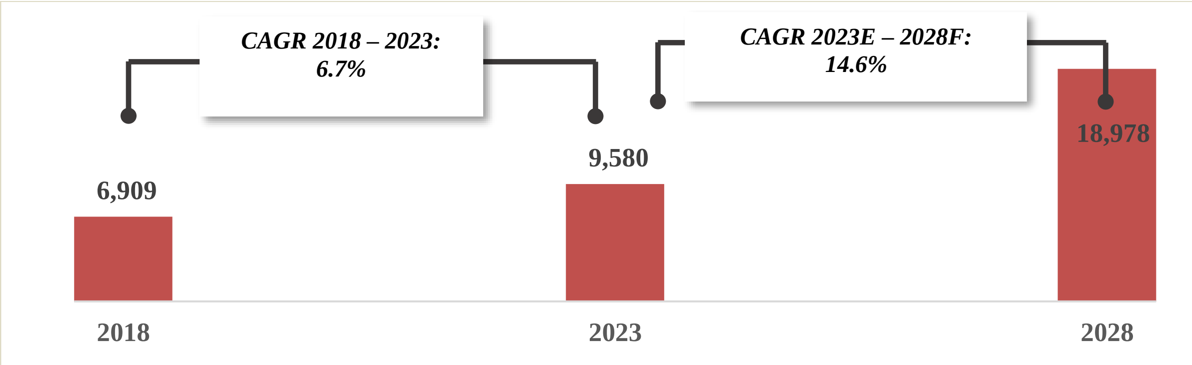


Source: TechSci Research

The India pumps market has experienced remarkable growth, starting at INR 15,020 crore in FY2018 and surging to INR 19,034 crore in FY2023. Projections indicate a further substantial increase, with the market expected to reach an impressive INR 36,496 crore by 2028, reflecting a robust CAGR of 12.37% during FY2023-FY2028F. This promising trajectory presents an exciting investment opportunity for those interested in the Indian pump market. India's robust growth in core industries such as chemicals, pharmaceuticals, automotive, and food processing is a crucial factor driving the demand for industrial pumps. These pumps find diverse applications in these industries, further underscoring their importance and the potential for market growth.

The Indian government's unwavering commitment to providing clean water and sanitation to rural areas through initiatives like Jal Jeevan Mission and Swachh Bharat Mission is a significant and reliable driver of the pump market. These initiatives necessitate increased investments in water treatment and supply infrastructure, thereby boosting the demand for various types of pumps. This government support provides a stable foundation for the market's growth and potential for further expansion. Pumps are finding increased use in micro-irrigation systems and other agricultural applications, playing a crucial role in boosting farm productivity and incomes. This diversification of pump usage, coupled with the rapid urban migration that places a more significant burden on urban infrastructure and municipal services, such as water supply, which relies on pumps, underscores the market's resilience and potential for sustained growth.

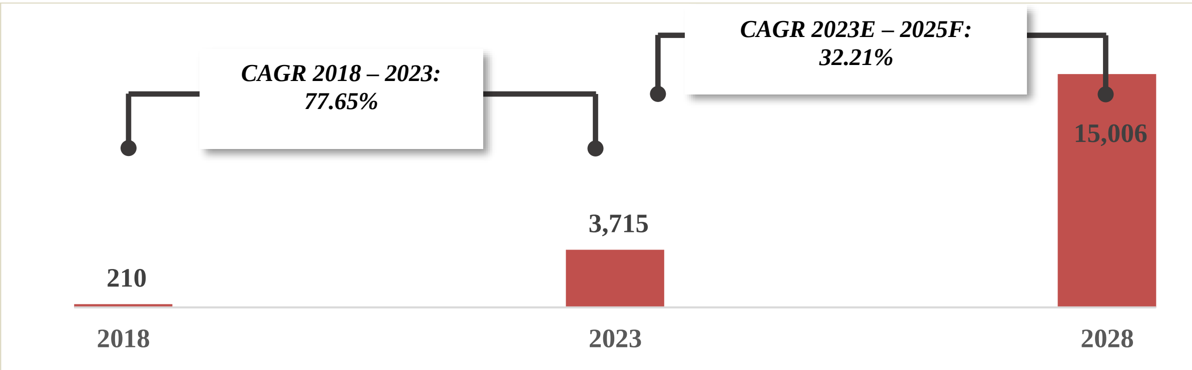
India Submersible Pumps Market Size, By Value FY2018-FY2028F, INR Crore



Source: TechSci Research

India's submersible pumps market stood at INR 6,909 crore in FY2018 and reached INR 9,580 crore in FY2023. In the forecasted period, it is projected to reach INR 18.978 crore by FY 2028 with a CAGR of 14.6% during FY 2023-FY 2028F due to rapid urbanization, increasing investments in the construction industry, growing infrastructural development activities, rising demand for efficient water and wastewater management systems, increasing agricultural and industrial activities, and strict regulations for wastewater treatment across industries.

India Solar Pumps Market Size, By Value FY2018-FY2028F, INR Crore



Source: TechSci Research

The Indian solar pumps market has experienced a remarkable growth trajectory, starting at INR 210 crore in FY2018 and soaring to INR 3,715 crore in FY2023. Projections indicate that this upward trend will continue, with the market expected to reach INR 15,006 crore by FY 2028, marking a significant CAGR of 32.21% during FY2023-FY2028F.

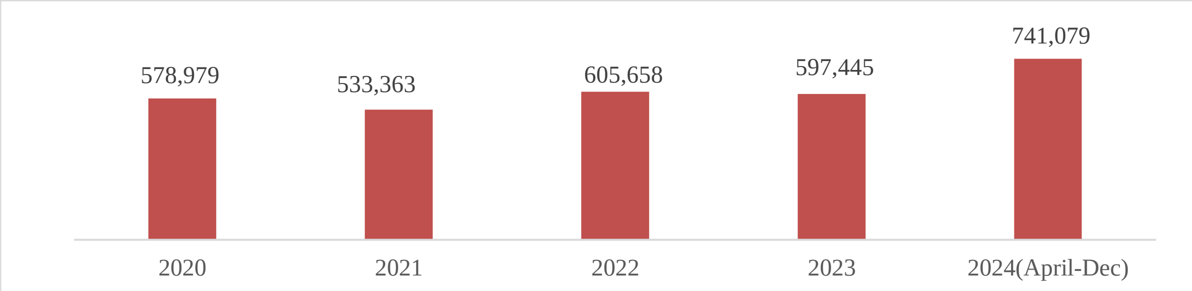
The market's growth can be attributed to several factors, including supportive policies, escalating diesel costs, and improved affordability. However, the key driver is solar pumps' distinct advantage over submersible pumps. These advantages include reduced dependency on a stable electricity supply and protection against motor damage caused by voltage fluctuations.

The Indian government, in collaboration with various state governments, is actively promoting the adoption of solar pumps. Schemes like PM-KUSUM are providing substantial subsidies for solar pumps and other agricultural solar applications, thereby encouraging their widespread adoption. This, coupled with the continuous rise in diesel prices, is compelling farmers to shift to more viable solar pump alternatives to irrigate their fields.

Falling prices of solar modules and other components due to technology improvements and economies of scale are making solar pumps more affordable. Initiatives by government, manufacturers, and non-profits are educating farmers about the technical and financial benefits of solar pumps.

Large parts of rural India still need grid connectivity. Solar pumps are ideal for reliable and sustainable irrigation in off-grid agricultural regions. Also, more accessible financing options through banks and NBFCs make solar pumps more accessible for farmers.

India's Export, FY2020-FY2024 (April-December)



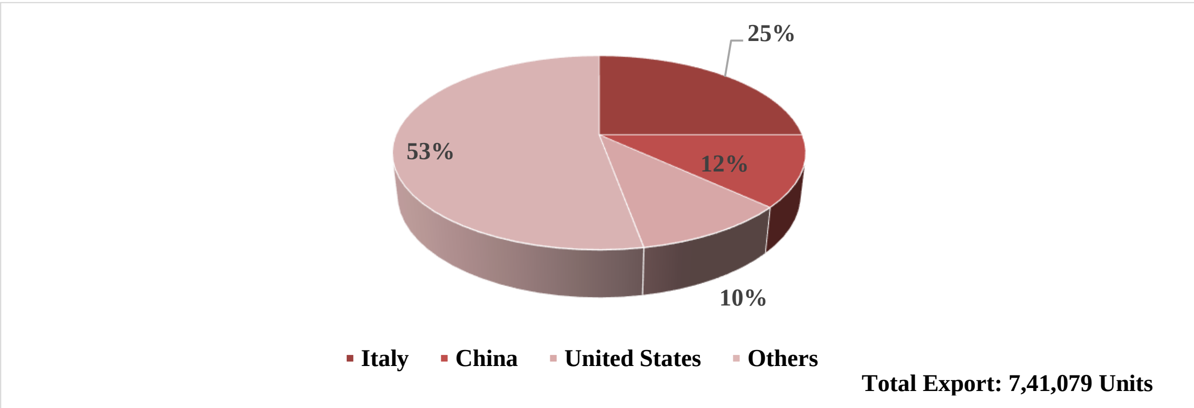
Source: Trade Atlas

India's export of water pump is more than the import due to presence of various players such as Kirloskar Brothers Limited, Tata Power Solar Limited, Shakti Pumps (India) Limited etc in the domestic market. These companies have in-house research & development department and advance backend support. The import of water pump in India stood at 5,78,979 in FY2020, and 7,41,079 units in FY2024 (April-Dec)

India's Top Three Exporting Countries FY2024 (April-Dec)

Countries	Volume (Units)
Italy	1,85,259
China	87,969
United States	76,008
Others	3,91,843

Others includes Saudi Arabia, Mexico, Bhutan etc.
Source: Trade Atlas



Source: Trade Atlas

Italy, China and United states are the top three destination for the export of water pumps from India. These three export destinations constitute ~47% of India's total export. Currently, 16% of India's pump manufactured in India is ready for exports.

Factors impacting the domestic price in the Pump Industry

Raw Material Costs: The prices of raw materials, including metals like cast iron, stainless steel, aluminium, copper, and plastics, directly influence manufacturing costs. These fluctuations in manufacturing costs, in turn, directly impact the pricing of solar and submersible water pumps.

Exchange Rates: Changes in exchange rates, primarily when which solar or submersible pump components are sourced or where competing solar or submersible pumps are manufactured, affect import costs and consequently impact the cost of solar and submersible water pumps.

Government Policies and Taxes: The introduction or alteration of government policies, such as import tariffs, excise duties, GST rates, and subsidies, can significantly reshape the cost structure and pricing of water pumps. For instance, the

PM-KUSUM scheme introduced by the Indian government made solar water pumps more affordable for consumers, illustrating the direct impact of government policies on pricing.

Supply Chain Disruptions: Disruptions in the supply chain due to transportation delays, logistics issues, production interruptions, natural disasters, geopolitical tensions, trade disputes, or pandemics can lead to delays in production and increased costs. The outbreak of COVID-19 in 2020 impacted the revenue of several solar and submersible water pump manufacturers due to closer manufacturing plants, resulting in an impact on the price of solar and submersible water pumps in India.

Labor Costs: Labor costs are a significant component of solar and submersible water pump manufacturing expenses. If labor costs rise, solar and submersible water pump manufacturers may need to increase the selling price of their products to maintain profitability. Henceforth, changes in labor wages affect the overall production costs, which impact the price of solar and submersible water pumps.

Market Dynamics: The interplay of factors such as brand reputation, product differentiation, distribution channels, and customer preferences plays a crucial role in shaping pricing strategies and positioning within the market. Understanding these dynamics is critical to navigating the market and setting competitive prices.

Regulatory Compliance: Complying with regulatory standards and certifications, such as BIS (Bureau of Indian Standards), entails additional costs that impact the price of solar and submersible water pumps.

Economic Conditions: Overall economic conditions, including GDP growth, inflation rates, consumer price index, interest rates, tax rates, exchange rates, wages, recession, government activities, laws & policies, significantly affect businesses worldwide. For instance, Inflation can lead to an increase in the cost of raw materials. Raw materials such as metals, plastics, cast iron, copper, electronics, stainless steel, and titanium are used in manufacturing both solar and submersible water pumps. Globally, it is projected that the price of copper is expected to rise by more than 75% by 2026. The increase in copper will impact the price of the pump across the globe.

Key factors impacting the domestic markets

Drivers

Increasing Need for Agricultural Practices

- India has witnessed rapid urbanization and population growth in recent decades, exerting significant pressure on water resources. This has put increasing pressure on water resources as demand for clean water from households, industries, and agriculture continues to rise yearly.
- At the same time, agricultural production needs to increase to meet the demands of a growing population. However, over-extraction has resulted in the depletion of groundwater levels in many parts of the country. This escalating water demand, coupled with stressed groundwater resources, has driven the demand for both submersible and solar pump markets.

Access to Safe Water

- With the initiative of the Swachh Bharat Mission, significant progress has been accomplished in both urban and rural India for the installation of sanitation systems. The shifting focus of the municipal sector toward alternative and advanced technology of water purification methods will also accelerate the demand for both submersible and solar pumps.

Government Policies & Initiatives

- Key policies & initiatives such as PM-KUSUM, Solar Rooftop Phase II, and CPSU Scheme - Phase II are pivotal in driving the growth of India's solar pumps market. The subsidies have rendered solar pumps a financially viable alternative to diesel pumps, effectively reducing farmers' reliance on expensive and polluting diesel.

- Concurrently, these schemes are bolstering India's solar energy generation goals. Through innovative policies that promote the adoption of solar pumps, the government aims to empower the agricultural sector sustainably while also fulfilling its clean energy and climate change objectives.

Subsidy Provisions and Lower Operating Costs:

- In the coming years, farmers' growing adoption of solar pumps can be attributed to the availability of subsidies and the cost-effectiveness associated with operating these systems. The provision of subsidies and the reduced operational expenses make solar pumps an increasingly attractive and economically viable choice for agricultural stakeholders.

- This strategic combination of financial incentives and operational efficiency is expected to drive a significant increase in the adoption of solar pumps among farmers.

Growing Urbanization

- India's GDP is projected at USD 15 trillion by 2030, of which 70% is accounted for urbanization. It is estimated that urbanization in India will rise from 32% in 2022 to 70% by 2030 on account of several government initiatives such as the Pradhan Mantri Awas Yojana (PMAY) program, Smart Cities Mission, etc, resulting in the need for 28 million additional housing units The increase in housing units will increase the demand for both solar and submersible pump as it increased the pressure which is helpful for residences and high-rise buildings.

- In addition, growth in the construction industry will increase the demand for solar and submersible pumps as pumps are used to move, compress, or transfer water. It is estimated that the construction industry will reach USD1.6 trillion by 2026 due to increased government initiatives such as the AMRUT infrastructure development scheme, RERA act, etc. Moreover, government allows 100% FDI under automatic route.

Emerging Industrialization

- There is a more comprehensive use of both submersible and solar pumps in various industries such as food & beverage, metal and mining, oil & gas, chemicals, etc.

- In addition, metals and mining sector is one of the strong pillars of India's ambition of becoming a USD 5 trillion economy. The government of India is also working toward the development of the metals and mining sector by launching various policy initiatives and regulatory interventions in the auction process, land availability, and levy of duties. The primary metals sector accounts for about 8.1 percent of the manufacturing segment.

- Likewise, in the oil & gas industry, there are several ongoing planned projects such as ethanol blending, increasing the expansion capacity of various refineries, targeting to raise the share of natural gas in the energy mix to 15% by 2030, etc. Similarly, the Indian chemical industry is anticipated to reach USD 290-310 billion by 2027, with a CAGR of 11–12%. In addition, foreign direct investment in these sectors, i.e., USD 21,714 million and USD 17,405 million in chemicals and metallurgical industries, respectively. The growth in these industries will create an opportunity for both solar and submersible pumps in India.

Challenges

Initial Cost and Financing

- Initial cost and financing can pose a significant challenge to the growth of the solar pumps market in India. Solar pumps have a higher upfront cost compared to diesel pumps due to the cost of solar panels, batteries, controllers, etc. The upfront cost of installing solar pump systems, including the photovoltaic panels, inverters, and other associated equipment, can be relatively high. Small and marginal farmers, who constitute a substantial portion of India's agricultural community, often face financial constraints. These farmers may need help to secure the necessary funds for investing in solar pump systems, even if the long-term benefits are evident. Addressing these challenges requires a comprehensive approach involving government policies, financial institutions, technology providers, and awareness campaigns. Initiatives that focus on improving access to financing, simplifying processes, and educating farmers about the long-term benefits of solar pumps can contribute to overcoming the initial cost and financing challenges in the Indian solar pump market.

Rise in Raw Material Price

- Rise in the price of raw materials such as steel, cast iron, copper, aluminium, photovoltaic, etc., impacts the price of both submersible and solar pumps in India.

Market and business characteristics related to Submersible and Solar Pump Industry

Agriculture, building, and industrial sector are the pillar of both submersible and solar pump industry.

Industrial Sector

- The industrial sector, a key driver of India's economy, encompasses diverse industries such as oil and gas, metal and mining, and the chemical industry. India's oil and gas industry is one of its eight core businesses, underscoring its economic significance. Projections from the IEA (India Energy Outlook 2021) indicate that India's primary energy demand is set to nearly double to 1,123 million tonnes of oil equivalent, mirroring the expected growth of the country's gross domestic product (GDP) to USD 8.6 trillion by 2040. In FY23, India's consumption of petrol products reached 222.3 MMT, while crude oil production stood at 29.16 MMT. Assam, Gujarat, and Rajasthan contribute over 96% of India's oil production, making the country a significant exporter of refinery products. India aims to double its refining capacity to 450–500 MT by 2030.

- India's steel industry, a global player, stands as the second-largest steel producer worldwide, a testament to its industrial prowess. The sector also holds significant growth potential, with a target to achieve a production capacity of 300MT by 2030. The government of India has introduced various initiatives, including Domestically Manufactured Iron & Steel Products (DMI&SP), the Steel Import Monitoring System, and the New Exploration Licensing Policy (NELP), to drive growth in this industry.

Building Services Sector

- The building sector includes the construction industry. India's construction industry is expected to become the world's third-largest construction market. The construction industry stood at USD 650 billion in 2023 and is expected to reach USD 1 trillion by 2030. It will contribute 12-15% to the country's GDP by 2025. In the construction industry, water pumps are mainly used to remove excess water collected due to heavy rain at construction sites.

Agriculture Sector

- The agriculture sector is the pillar of the Indian economy, which contributes 19% of India's overall GDP and is projected to reach USD 24 billion by 2025. The agriculture sector in India has grown at an average annual growth rate of 4.6% during the last six years.

- Irrigation is an important part of agriculture. The water pump pumps water and assists in efficient agricultural irrigation. Efficient agricultural irrigation requires a continuous water supply, and agricultural pumps are designed to fulfill this need for agricultural irrigation systems.

- The growth of India's agriculture sector is attributed to suitable climatic conditions and supportive government policies, such as Soil Health Cards, Micro irrigation Fund, Agri Infrastructure Fund (AIF), Pradhan Mantri Fasal Bima Yojana, PM-Kisan Samman Nidhi, Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan (PM-KUSUM), etc.

- Policies such as Soil Health Cards, the Micro irrigation Fund, and organic and natural farming have helped the farmers optimise resource use and reduce the cultivation cost. Promoting Farmer Producer Organisations (FPOs) and the National Agriculture Market (e-NAM) extension Platform have empowered farmers, enhanced their resources, and enabled them to get good returns. Agri Infrastructure Fund (AIF) has supported the creation of various agriculture infrastructures. All these policies contributed to the growth in agricultural productivity, resulting in increased demand for submersible and solar pumps in India.

Key stakeholders

- **Solar Water Pump Manufacturers**
  Solar and submersible water pump manufacturers design, produce, and distribute water pumps to consumers. They supply pumps to system integrators. Pump manufacturers primarily have large distribution networks covering all the target consumer segments. Solar water pump manufacturers form tie-ups with solar panel manufacturers to offer an end-to-end solar pump solution.

- **Raw Material Providers**
  Raw material providers include photovoltaic, stainless steel, and plastics manufacturers that supply them to water pump manufacturers. In the case of a solar water pump, a photovoltaic provider is required.

- **System Integrators**
  System integrators are only applicable to solar water pump manufacturers. They provide an integrated solution to customers (including installation and maintenance). They also form agreements with manufacturers and provide farmers with an integrated warranty of up to 5 years. Dealers and service partners manage this warranty.

- **Dealers**
  Dealers are appointed by large system integrators or solar or submersible water pump manufacturers to execute sales, installation, and after-sales support. Typically, existing dealers already have a presence in solar products or agriculture equipment and are used by large system integrators to increase market reach. However, larger players have a robust dealer network and extensive rural reach.

- **Buyers**
  Buyers are primarily industrial and commercial users, municipalities and utilities, farmers and agricultural businesses, residential consumers, etc, for submersible and solar water pumps. They mainly purchase from the state government or NGOs. Direct sales (without subsidy support) to retail customers are limited.

- **Financing**
  Banks and NBFCs offer financing options to the solar and submersible water pump industry consumers.

Growth Outlook of Submersible and Solar Water Pump End-Use Industry

Key Industries that solar and submersible water pumps industry cater to:

- **Agriculture:** The agriculture sector is the pillar of the Indian economy, contributing 19% of India's overall GDP, and is projected to reach USD 24 billion by 2025. The agriculture sector in India has grown at an average annual growth rate of 4.6% during the last six years.

- **Chemical:** The Indian chemical industry, a key player in the global market, is anticipated to reach USD 290-310 billion by 2027, growing with a CAGR of 11–12%. This industry, which includes pharmaceuticals, agrochemicals, industrial chemicals, and specialty chemicals, is a significant consumer of solar and submersible water pumps, ensuring a steady market demand.

- **Metal & Mining:** The metals and mining industry is crucial to the growth of the Indian economy. Recent policy changes, innovative technology, energy security concerns, and new entrants are reshaping the mining and metals industry. As of FY22, there are around 1319 mining industries in India.

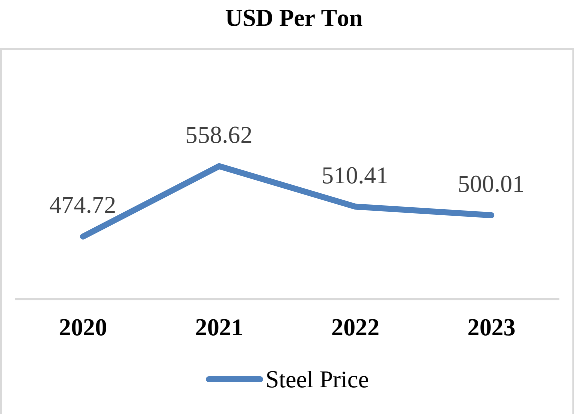
- **Oil & Gas:** India retained its position as the third-largest consumer of oil in the world. Country energy demand as a percentage of global energy demand is expected to reach 11% by 2040. It is the world's fourth-largest crude oil refiner and is expected to add one mb/d of refining capacity by 2028.

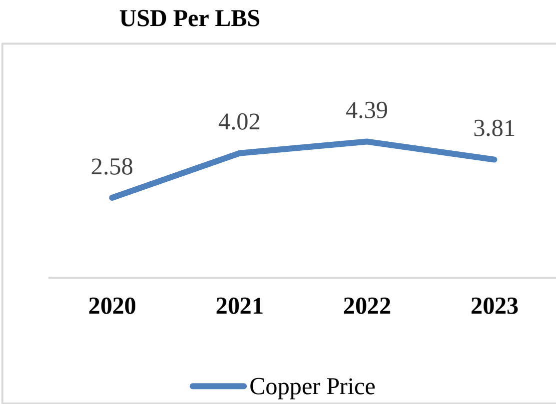
- **Construction:** The construction industry was worth USD 650 billion in 2023 and is expected to reach USD 1 trillion by 2030. By 2025, the sector is estimated to contribute 12-15% of the country.

India's FTA Agreements to Support Water Pump Industry

Solar PV module is a raw material used in the solar pump, which will indirectly impact the solar water pump market. The government of India has formed a free trade agreement with ASEAN countries (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam) to import solar modules into India to meet the demand. Under the free trade agreement, India could add 15 gigawatts of annual module imports by 2025 to meet the demand-supply gap in India. In India, the manufacturing capacity of solar PV is relatively low and is largely restricted to the last manufacturing stage due to a shortage of solar PV. Under the FTA, in the first two months of the financial year 2024, solar panel import rose to 568 megawatts against 267 megawatts.

Raw Materials Price Trend- Solar and Submersible Water Pump





Note: 1LBs= 1 Pound
Source: Trading Economics

- Steel and copper are essential raw materials used in the pump industry. The rise in the price of steel and copper will impact the pump industry. India has witnessed a remarkable surge in copper demand due to increasing demand from various industries, including solar, electric vehicles, and the pump industry.

- There has been a substantial increase in copper, i.e., 16 percent, reaching 15.22 lakh tonnes in 2023 compared to 13.11 lakh tonnes in 2022. India's copper production has been unable to meet this demand, and domestic supply disruptions have led to a higher dependency on imported copper, resulting in an increased copper price. Kutch Copper Ltd., a subsidiary of Adani Enterprise Limited's upcoming copper plant, which will start its operation by the end of March 2024, will impact the copper industry in India and reduce India's dependence on the import of copper which is expected to reduce the price of copper in India.

Quality Management System- Solar and Submersible Water Pump

To get committed to the environment protection, cleanliness, health, safety and welfare of the employees, and meeting expectations of customers in terms of quality. Both solar and submersible pump manufacturers have to follow the following set of standards.

- **ISO 9001:2015 Quality Management Systems**
  - ISO 9001:2015 is a globally recognized standard that helps organizations to improve their quality management and create a quality management system (QMS). It sets requirements for a QMS by detailing specific processes, procedures, and activities that organizations must create, implement, maintain, and improve.
  - The 2015 revision of ISO 9001 introduces a systematic approach to considering risk, rather than treating "prevention" as a separate component of a quality management system. The 2015 standard requires organizations to address seven key areas to achieve continual improvement:
  - The main elements of a quality management system are based on ISO 9001:2015 requirements i.e. context of the organization, leadership, planning, support, operation, performance evaluation, improvement.

- **ISO 14001:2015 Environment Management Systems**
  - ISO 14001:2015 is an internationally recognized standard that sets out requirements for an environmental management system (EMS). It helps organizations improve their environmental performance by reducing waste, using resources more efficiently, and gaining stakeholder trust.
  - The new version of ISO 14001 focuses on improving environmental performance rather than the management system itself. It also includes new updates to make environmental management more comprehensive and relevant to the supply chain.
  - Some of the core elements of an EMS according to the ISO 14001 standard are environmental policy, planning, implementation, study and correct, management review, continuous improvement.

- **ISO 45001:2018 Occupational Health and Safety Management Systems**
  - ISO 45001:2018 is an international standard that specifies requirements for an Occupational Health and Safety (OH&S) management system (OHSMS). It provides a framework for organizations to manage risks and improve OH&S performance.
  - ISO 45001:2018 is applicable to any organization, regardless of size, activity, or geographical location. It can be used for Implementing, maintaining, or improving an OHSMS, assuring conformance with an existing OHSMS, demonstrating conformance to third parties, seeking certification or registration of its OHSMS, self-declaring its conformance.
  - ISO 45001:2018 encourages organizations to prioritize the physical and mental health of their employees. It assists businesses foster employee well-being and create a positive work environment by monitoring health conditions, providing necessary training, promoting a supportive work culture.
  - ISO 45001:2018 certification includes, application review and contract review, Initial certification audit, certification decision, continual assessment (surveillance audit), renewal audit, suspending, withdrawing, extending, or reducing scope of certification.

- **OHSAS 18001 Certification**
  - OHSAS 18001 is an internationally recognized occupational health and safety management system standard that provides a framework that water pump manufacturers can use to develop and implement policies and procedures to manage risks and improve their overall occupational health and safety performance.
  - With this certification OHSAS 18001, water pump manufacturer can illustrate their commitment to protect the health and safety of their employees, contractors, and visitors. In addition, this certification can assist to identify and control health and safety risks, reduce potential accidents and incidents, and improve their overall health and safety performance.
  - This certification assists improved communication and coordination of health and safety activities, reduced costs associated with accidents and incidents, and improved employee morale.
  - In addition, OHSAS 18001 assist water pump manufacturers comply with applicable legal requirements and industry standards and win tenders for new work. It is also recognized by many insurance providers, who may offer discounts on premiums for water pump manufactures that are certified to the standard.

Standard Procurement Practices- Solar and Submersible Water Pump

- **Needs Assessment:** The solar and submersible water pump manufacturers determine the specific water requirements, including the volume of water needed, the depth of the water source, and the intended use i.e. irrigation, drinking water supply.

- **Market Research:** The submersible and solar pump end-use industries should conduct market research to identify solar and submersible water pumps reputable manufacturers and related components. The end consumer should consider factors such as product quality, reliability, after-sales service, warranty terms, and price competitiveness.

- **Vendor Prequalification:** The solar and submersible water pump manufacturers prequalify potential vendors based on their experience, track record, financial stability, technical capabilities, and adherence to relevant quality standards and certifications.

- **Contract Negotiation:** The solar and submersible water pump manufacturers and end-use industries negotiate contract terms and conditions including pricing, payment terms, delivery schedules, warranty provisions, and other contractual requirements.

- **Logistics and Installation:** Logistics and installation is only application to solar pump industry. In this case, solar pump manufacturers coordinate with end-use industries for the delivery of solar water pump system components to the installation site and oversee the installation and commissioning process to ensure proper setup and functionality.

- **Post-Installation Support:** Solar and submersible water pump manufacturers establish mechanisms for ongoing support and maintenance of the installed water pump, including troubleshooting, repair services, spare parts availability, and warranty claims processing.

Government Initiatives Regulations and Policies Driving Solar and Submersible Pump Market

Government of India has introduced several government schemes and initiatives that will directly indirectly act as driver for India's submersible and solar pump market.

PM-KUSUM (Pradhan Mantri Kisan Urja Suraksha Evam Utthaan Mahabhiyan)

- In 2019, government of India introduced PM- KUSUM scheme. The aim of the scheme is to ensure energy security to the farmers, and to promote the use of renewable energy in the agricultural sector with a budget of INR 480 billion in FY2018-19 for a period of 10 years.

- The scheme aims is to install solar pump sets to replace traditional diesel or electric pump set used by farmers for irrigation. This helps in reducing the dependency on fossil fuels and mitigates greenhouse gas emissions. It also encourages the installation of grid-connected solar power plants on barren lands, fallow lands, or unused lands owned by farmers. These solar power plants allow farmers to generate additional income by selling surplus electricity to the grid.

- In addition, under this scheme, farmers can receive support for the solarization of their existing pump sets. This involves retrofitting existing pumps with solar panels to reduce their dependence on conventional electricity or diesel.

- The Scheme has 3 components i.e. Component A, Component B and Component C.

-
    - **Component-A:** Under Component-A government aims is to set up of 10,000 MW of Decentralized Ground/ Stilt Mounted Grid Connected Solar or other Renewable Energy based Power Plants by the farmers on their land. Under this component, renewable energy-based power plants (REPP) of capacity 500 kW to 2 MW will be setup by individual farmers/ group of farmers/ cooperatives/ panchayats/ Farmer Producer Organisations (FPO)/Water User associations (WUA) on barren/fallow land. These power plants can also be installed on cultivable land on stilts where crops can also be grown below the solar panels. The renewable energy power project will be installed within five km radius of the sub-stations in order to avoid high cost of sub-transmission lines and to reduce transmission losses. The power generated will be purchased by local DISCOM at pre-fixed tariff.
    - **Component-B:** Under Component-B, government aims to set up 14 Lakh stand-alone solar agriculture pumps. Under this Component, individual farmers will be supported to install standalone solar Agriculture pumps of capacity up to 7.5 HP for replacement of existing diesel Agriculture pumps / irrigation systems in off-grid areas, where grid supply is not available. Pumps of capacity higher than 7.5 HP can also be installed, however, the financial support will be limited to 7.5 HP capacity.
    - **Component-C:** For Solarisation of 35 Lakh Grid Connected Agriculture Pumps. Under this Component, individual farmers having grid connected agriculture pump will be supported to solarise pumps. The farmer will

be able to use the generated solar power to meet the irrigation needs and the excess solar power will be sold to DISCOMs at pre-fixed tariff.

Product Linked Scheme

- In 2020, Government of India Introduced production-linked Incentive scheme with an investment of USD 27 billion over the next five years, across for 14 industries including textile, food processing, PV solar, automobile etc.

- The PLI scheme for the shortlisted sectors is expected to increase the competitiveness of Indian manufacturers on a global scale, attract investment in cutting-edge technology and core competencies, ensure efficiency, foster economies of scale, boost exports, and establish India as a critical player in the global supply chain.

- In addition, PLI will reduce India's dependence on China and other foreign countries, support the labour-intensive sectors, and increase India's employment ratio.

- For PV solar, the government of India has allocated a total capacity of 39,600 MW of domestic solar PV module manufacturing capacity to 11 companies (Indosol Solar Pvt Ltd, Reliance Industries Limited, First Solar Power India Private Limited, Waaree Energies Limited, Avaada Group, ReNew Energy Global, JSW Steel Limited, GREW Energy Pvt., Vikram Solar Limited, AmpIn Energy Transition Private Limited , Tata Power Solar Limited with an investment of INR 14,007 crores under the Production Linked Incentive Scheme for High Efficiency Solar PV Modules. Under this, solar PV manufacturers are selected through a transparent selection process. This scheme has provision for Production Linked Incentive (PLI) to the selected solar PV module manufacturers for five years post commissioning, on manufacture and sale of High Efficiency Solar PV modules. This capacity addition is a major step towards making India Aatmanirbhar in solar manufacturing sector.

Atmanirbhar Bharat Abhiyan

- In 2020, Government of India introduced Aatmanirbhar Bharat Abhiyan mission to make India self-reliant. The mission aims are to focus on 5 components i.e. economy, infrastructure, systems, vibrant demography and demand.

- The key objective of the mission is to develop India into a global supply chain hub, build the government's trust in the private sector capabilities and prospects, establish good force multipliers for Indian manufacturers, Enter the global markets to export goods including agriculture, textiles, clothing and jewellery, determine adequacy of each sector (e.g., defence, agriculture, healthcare, infrastructure, etc.

- Under the mission government of India, introduced various schemes including Jan Dhan Accounts, Ayushman Bharat Yojana, Micro insurance schemes, Direct Benefit Transfer, PM Ujjwala Yojana, PM Awas Yojana etc. To empower farmers and enable land cultivation, the government started schemes such as PM Kisan Yojana, PM Fasal Bima Yojana, PM Krishi Sinchai Yojana and established a new Fisheries department.

- In addition to it, to strengthen the business environment, the government launched initiatives such as recapitalisation of public sector banks, PSB (public sector banks) merging, GST reforms, FDI reforms and ease of business reforms.

- To boost investments, the government of India introduced numerous policy reforms such as airport privatisation, reforms in the power sector and cleaning the mining sector such as listing states based on investment attractiveness, promoting champion sectors such as solar PV and advanced battery manufacturing cells.

Make in India

- In 2014, government of India introduced Make in India initiative, with an aim to transform the country into a global manufacturing hub, and to make India an integral part of the global supply chain.

- The initiative seeks to encourage both domestic and foreign companies to manufacture their products in India. The scheme aim is to improve the business environment through de-licensing & deregulation and increasing the ease of doing business in India, enabling manufacturing through special focus on industrial corridors and clusters, development of smart cities, innovative approaches, upgradation of industrial infrastructure and skill development, and FDI focus on FDI’s on key sectors such as defense, construction and railways.

- The key objectives of the Make in India initiative include job creation, skill enhancement, boosting GDP growth, and attracting foreign direct investment (FDI) into the manufacturing sector.

Key Announcements under the Union Budget 2024 (Interim Budget), Impacting Solar and Submersible Pump Market

- Direct financial assistance to 11.8 crore farmers under PM-KISAN, crop insurance to 4 crore farmers under PM Fasal Bima Yojana.

- Introduced PM Surya Ghar Muft Bijli Yojana. Under this scheme government aim is to provide upto 300 units of free electricity per month to 1 crore households. Government will provide substantive subsidies directly in the bank accounts of the consumers and heavily concessional bank loans. In addition, also proposed as Pradhan Mantri Suryodaya Yojana with an outlay of INR 10,000 crore. To popularise the scheme, urban local bodies and panchayats will be incentivised to promote rooftop solar installations.

- Pradhan Mantri Kisan Sampada Yojana has benefitted 38 lakh farmers and generated 10 lakh employment. Pradhan Mantri Formalisation of Micro Food Processing Enterprises Yojana has assisted 2.4 lakh SHGs and sixty thousand individuals with credit linkages.

- Direct financial assistance to 11.8 crore farmers under PM-KISAN, crop insurance to 4 crore farmers under PM Fasal Bima Yojana.

- Introduced PM Surya Ghar Muft Bijli Yojana. Under this scheme government aim is to provide upto 300 units of free electricity per month to 1 crore households. Government will provide substantive subsidies directly in the bank accounts of the consumers and heavily concessional bank loans. In addition, also proposed as Pradhan Mantri Suryodaya Yojana with an outlay of INR 10,000 crore. To popularise the scheme, urban local bodies and panchayats will be incentivised to promote rooftop solar installations.

Key Global and Domestic Players

- KSB SE & Co. KGaA, Grundfos Holding A/S, Bernt Lorentz GmbH & Co. KG, Adpower FZCO, China Samking Solar Pump, Novergy Energy Solutions Pvt. Ltd, Franklin Electric, Glynncorp Electrical are the key foreign players in water pump market in India

- Shakti Pumps (India) Limited, Tata Power Solar Systems Ltd., Kirloskar Brothers Limited Crompton Greaves Consumer Electricals Limited, C.R.I. Pumps Private Limited, Oswal Pumps Limited, JP Solar Energy Pvt Ltd, Vikram Solar Limited, Ecozen Solutions Private Limited, G K Energy Marketers Pvt. Ltd., PV Power Technologies Pvt Ltd etc are the key domestic players in pump market in India.

Key Risk Factors

Economic Uncertainty: Economic downturns, inflation, currency fluctuations, and policy uncertainties can affect business revenue and reduce demand for pumps in various sectors. For Instance, over the years, the Indian rupee has depreciated against the US dollar, and the exchange rate plays an important role in the growth of various industries, including the submersible and solar pump industry; the fluctuations in foreign exchange will have great impacts on the revenue of the businesses.

Regulatory Changes: Changes in government policies, regulations, tariffs, and import-export duties can impact the submersible and solar pump markets. For Instance, the introduction of the PM-KUSUM scheme by the government of India increased the growth of the solar pump industry in India.

Competition: Intense competition from domestic and international submersible and solar water pump manufacturers with lower production costs can affect market share and pricing strategies. Henceforth, manufacturers have been investing heavily in research & development and technological upgrades to become key differentiators of solar and submersible pumps.

Supply Chain Disruptions: Disruptions in the supply chain due to natural disasters, geopolitical tensions, trade disputes, or pandemics can lead to delays in production and increased costs. For Instance, the outbreak of COVID-19 in 2020 impacted the revenue of solar and submersible water pump manufacturers due to their vast customer base outside India.

Environmental Concerns: Increasing environmental regulations and concerns about energy consumption and carbon emissions drive demand for solar pumps and environmentally friendly technologies, posing challenges for submersible pump manufacturers. Water pumps running on fossil fuel are not sustainable, thus driving the demand for solar water pumps over submersible water pumps, posing a challenge for the submersible pump market.

Electric vehicle market in India

Electric vehicles constitute two-wheeler, three- wheeler, four-wheeler, and buses. India electric vehicle market is at nascent stage. The electric vehicle market is growing at a fast pace due to the increasing preference of youngsters for their daily mobility requirements, rising standard of living, and rising concern towards sustainability. In addition, supportive government policies and initiatives, including subsidies under FAME II and state EV programs to encourage the widespread adoption of electric vehicles in India and 100 percent foreign direct investment, are allowed under the automatic route, driving the EV demand in India. The increase in demand for electric vehicles will create an opportunity for electric component manufacturers, including Shakti Pumps (India) Limited, which manufactures EV motors, chargers, and controllers.

The key growth drivers are implementing subsidies (FAME II), lower tariffs for EV charging stations, license-free EV charging stations as a service, a 15% customs duty on EV components, and rationalizing taxes and duties.

Solar Rooftop

- Until FY 2019, rooftop solar installations in India were at a nascent stage, i.e., 1.8GW. Since then, the rooftop solar market has consistently grown due to growing awareness among residential consumers and government subsidies for the residential segment.

- For instance, the Ministry of New and Renewable Energy introduced the grid-connected rooftop solar scheme to achieve a cumulative installed capacity of 40,000 MW by 31 March 2026. The scheme is for FY 2021-22 to 2025-26 and is implemented in two phases. Phase I of the program has been approved with an investment of INR 858 crores. Under this scheme, the government will provide subsidies to the residential electricity consumers for 4GW capacity under component A and incentives to discounts for an initial capacity of 18 GW under component B.

- According to the Ministry of Commerce, the total rooftop solar capacity added as of 31 March 2023 is 8,877 MW, compared to 7,520 MW on 30 September 2022.

- Gujarat, Karnataka, Tamil Nadu, Rajasthan, and Maharashtra are the key states in solar rooftop additions due to the presence of various industrial players and specific state incentives.

- The manufacturing sector is the largest consumer of rooftop solar, with 15% of the total market share, followed by infrastructure with 12%. For instance, the government of Gujarat has introduced Gujarat's Suraj Urja Rooftop Yojana to provide 40% and 20% state subsidies for the installation of up to 3KW and 3-10 KW, respectively. In addition, the Gujarat government introduced the solar scheme, which allows consumers to rent their premises to third parties for electricity generation. Furthermore, a scheme for MSME was introduced under which MSME can sell excess power to the state government at INR 1.75 per unit.

- Likewise, the Government of Maharashtra introduced a scheme to provide subsidies of 40% for domestic consumers from 1kW to 3kW and 20% for the consumer from 3kW to 10kW. In addition, housing societies and resident welfare associations get a 20% subsidy between the project cost of 1kW and 500kW.

In the interim budget FY2023-24, the government of India announced a rooftop solar scheme named PM Surya Ghar—Mujft Bijli Yojana, with an investment of INR 75,000 crore, to provide 300 units of free electricity every month.

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 17 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 40, 179 and 73, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated or the context otherwise requires, the financial information included in this section for Fiscal 2021, 2022 and 2023 has been derived from our Audited Consolidated Financial Statements beginning on page 179. The financial information included in this section as of and for the nine months ended December 31, 2023 and 2022 has been derived from our Unaudited Consolidated Financial Results beginning on page 179. See, "Financial Information" on page 179. The Unaudited Consolidated Financial Results of our Company are not indicative of our Company's annual performance and are not comparable with the Audited Consolidated Financial Statements. Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to Shakti Pumps (India) Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to Shakti Pumps (India) Limited on a consolidated basis.

Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "INDIAN PUMPS INDUSTRY OVERVIEW" dated 11th March 2024, prepared and issued by "M/s New Age TechSci Research Private Limited". There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factors – Industry information included in this Preliminary Placement Document has been derived from an industry report prepared by TechSci Report exclusively commissioned and paid for by us for such purpose." on page 40. Also see, "Industry and Market Data" on page 16.

Overview

We are an integrated player focused on manufacturing of fabrication technology-based solar / electricity operated submersible pumps in India, catering to our clientele across the globe. We are recognized as one of the leading domestic manufacturers in the Indian pump industry (*Source: TechSci Report*). With over four decades of experience, 12 (twelve) patents and continuous commitment to innovation, we deliver unique proprietary products through in-house research, design and development. We are one of the few manufacturers domestically, with the competency to manufacture solar and submersible pumps and motors in-house.

Our Company's significant involvement in the "Pradhan Mantri Kisan Urja Suraksha evam Utthan Mahabhiyan Scheme " ("**PM KUSUM**") of the Government of India ("**GoI**") providing substantial opportunities for us as we cater to major section of the scheme. The PM KUSUM reflects commitment to provide energy and water security to farmers through deployment of solar power among farmers to meet their energy requirements and also to enhance their income. (*Source: PM Kusum Reform, September 2021 available at https://pmkusum.mnre.gov.in/pdf/PM-KUSUM%20Reforms%20English%20(21-09-2021).pdf*). The scheme aims is to install solar pump sets to replace traditional diesel or electric pump set used by farmers for irrigation. This helps in reducing the dependency on fossil fuels and mitigates greenhouse gas emissions. These solar power plants allow farmers to generate additional income by selling surplus electricity to the grid. In addition, under this scheme, farmers can receive support for the solarization of their existing pump sets. This involves retrofitting existing pumps with solar panels to reduce their dependence on conventional electricity or diesel. (*Source: Techsci Report*). The contribution of our Company in the Scheme as of December 31, 2023 is set out below:

Particulars	Number of Pumps
Total no. of pumps (order) awarded under PM Kusum Scheme	12,23,721
Total order executed	2,84,607
Total order executed by Shakti Pumps	68,779

* Source: *https://pmkusum.mnre.gov.in/landing.html data as per December 31, 2023*

Our business is classified into five broad segments i.e. Customers under government projects, Exports and Others (including Original Equipment Manufacturer, Industrial, & Others). The revenue from each of these segments for the fiscals ending March 31, 2021, March 31, 2022 and March 31, 2023 are below:

Segments (Consolidated numbers - ₹ Million)	Fiscal ended March 31,		
	2023	2022	2021
Customers under Government Projects	6,232.00	8,148.42	5,422.65
Exports	2,325.41	1,851.12	1,800.16
Industrial Customers	158.98	155.20	174.79
OEM Customers	113.40	312.30	859.00
Other Customers	847.04	1318.31	1,040.01
Total	9,676.83	11,785.35	9,296.61

We are one of few companies in the Industry to implement enterprise resource planning ("**ERP**") in our business for (i) automating and streamlining business processes, (ii) real-time visibility, (iii) assistance with planning, forecasting, budgeting and support informed decision making, (iv) improved customer service including faster response times and more accurate delivery projections, (v) increased productivity, (vi) compliance and risk management and (vii) scalability, thereby optimizing our operations and driving growth.

We are backward integrated with design, process engineering, casting and machining capabilities (CNC – Computerised Numeric Control) which allows us greater control over process, timelines, pricing and quality. Our in-house design capabilities allow us to meet with the customers' requirements across the globe by following NEMA (National Electrical Manufacturers Association) standards.

We lay significant emphasis on research and development. This has also enabled us to address our consumers' diverse needs, introduce new and innovative products in the market, enhance existing products with emerging technologies, and optimize costs across our products through value analysis and value engineering.

Over the years, we have focused on creating robust manufacturing systems and processes that comply with health and safety, as well as environmental, social and governance requirements. We have received ISO 9001:2015, ISO 14001: 2015 and ISO 45001: 2018 certifications from Bureau Veritas Certification Holding SAS (UK branch). Over the years, we have developed a track record of manufacturing quality and technologically advanced pumps and motors at our certified manufacturing facilities. As on the date of this Preliminary Placement Document, we operate out of four manufacturing facilities located in Pithampur, Madhya Pradesh, equipped with (i) casting machines, (ii) computerised numerical control (CNC) machines, (iii) lathe and milling machines, (iv) hydraulic presses, (v) welding machines including laser welding, (vi) coil winding machines, (vii) vacuum pressure impregnation machine, (viii) testing equipment like dynamometers, electrical testers, pressure testers, flow meters for compliance with quality and safety standards, (ix) laser marking among others. We follow stringent quality standards and place a strong emphasis on quality for our products.

As on February 29, 2024, we had a total installed capacity of 500,000 pumps. As on December 31, 2023, our pending order book was INR 22,500 million to be executed in the next two years. As on December 31,2023, we have installed 68,779 pumps under Component B of PM Kusum, 24.17% of the total pumps installed through the PM KUSUM, thereby significantly contributing to the initiative of Government of India. (Source: *https://pmkusum.mnre.gov.in/landing.html data as per December 31, 2023*)

We are also forward integrated with a network of sales and service locations across various locations in India and over 100 locations outside India, as of February 29, 2024. We caters to multiple industry verticals including agriculture, commercial, industrial and others. We are well positioned to increase the number of different products that we manufacture for them, increase the volume of our shipments to them of each particular product and expand our coverage to other areas where they require similar solutions.

We are led by our Promoter, Dinesh Patidar, and our Managing Director, Ramesh Patidar, who have several decades, respectively, of experience in the pumps and motor industry and have been instrumental in the growth of our Company. Under their leadership we have been able to expand our operations and have established a significant presence in India and export markets. We have a diversified Board of Directors, which is supplemented by a strong senior management team with significant experience in the industry that has demonstrated its ability to anticipate and capitalize on changing market trends, manage and grow our operations and leverage and deepen customer relationships. As of February 29, 2024, we had a workforce of 1,681 personnel which comprised 602 permanent employees and 1,111 contract employees for our operations.

The following table sets forth certain information relating to certain key financial performance metrics on a consolidated basis as of the dates and for the periods indicated:

Particulars	As of and for the year ended ,March 31			As of and for the nine months ended December 31,	
	2023	2022	2021	2023	2022

Revenue from Operations	9,677	11,785	9,297	7,615	7,850
EBITDA[1]	666	1,105	1,413	941	557
EBITDA margin[2]	6.9%	9.4%	15.2%	12.4%	7.1%
Profit after Tax for the year / period	241	648	756	521	219
Profit after tax margin[3]	2.5%	5.5%	8.1%	6.8%	2.8%
Return on Equity (“**ROE**”)[4]	6.80%	17.24%	22.55%	-	-
Return on Capital Employed (“**ROCE**”)[5]	9.32%	17.85%	28.21%	-	-
Current Ratio[6]	1.76	1.48	1.56	-	-
Debt Service Coverage Ratio[7]	4.50	6.41	6.77	-	-
Trade Receivables Turnover Ratio[8]	3.17	3.67	4.85	-	-
Debt to Equity Ratio[9]	0.20	0.29	0.22	-	-
Inventory Turnover Ratio[10]	4.91	7.25	7.20	-	-

Notes:

1 *EBITDA is calculated as profit before tax plus depreciation and amortization expense plus finance cost less finance income and other income*

2 *EBITDA margin is calculated as EBITDA divided by revenue from operations*

3 *Profit After Tax Margin is calculated as profit after tax divided by revenue from operations.*

4 *ROE is calculated as profit after tax less share of profit / (loss) of minority interest divided by average Net Worth. Average Net Worth is calculated as average of Net Worth as of the first day of the relevant period and as of the last day of the relevant period.*

5 *ROCE is calculated as EBIT divided by capital employed. EBIT is calculated as profit before tax plus finance cost. Capital Employed represents Total Equity + Borrowings.*

6 *Current assets divided by Current Liabilities.*

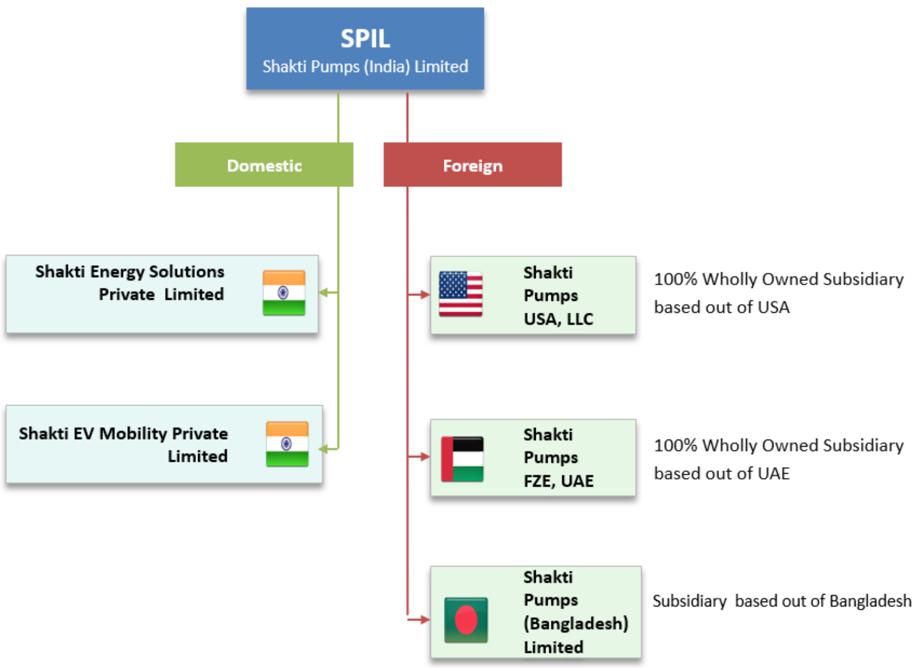
7 *Earnings available for debt service represents Profit Before Tax + Depreciation and Amortizations + Interest on Debt + Loss on Sale of Fixed Assets divided by Debt Service represents Interest on Debt + Scheduled Principal Repayment of Non Current Borrowings*

8 *Net Sales represents Domestic Sales + Export Sales + Scrap Sales divided by Average Trade Receivables.*

9 *Debt to Equity Ratio is calculated as total debt divided by Net Worth. Total debt is calculated as non-current borrowings plus current borrowing.*

10 *Inventory Turnover Ratio is calculated as revenue from operations divided by average inventory.*

Organisation Structure



Strengths

1. Long history and strong brand recall

We have over four decades of industry experience in manufacturing of pump and motors. We started in the year 1982 and have in the forefront of the industry in achieving several milestones in the industry. Our Company was listed on the Stock Exchanges in the year 1995. We established our manufacturing facility at the special economic zone in Pithampur in the year 2008. We were received 5-star rating for our products from Bureau of Energy Efficiency. We commenced a new segment with the solar powered pump manufacturing in the year 2014, being one of the first in our industry.

Over the course of more than 40 years, our Company has firmly established itself as a trusted leader within the pumps and motors industry. Rooted in a long, rich history of dedication to quality, innovation and customer satisfaction, our Company has journeyed many milestones, refining and perfecting practices to ensure optimum service delivery. From our humble beginnings to our current expansive global footprint, we have kept our high standards at the forefront of our operations, earning us strong brand recall. This brand power, accumulated through decades of consistent excellence, speaks volumes of our unyielding commitment to our consumers. Our successful legacy underpins the strong reputation we have today in the pumps and motor industry, promising a future of ongoing significant contributions and unrivaled solutions. We have also commenced exploring sustainable options such as electric vehicles through our Subsidiary.

Our manufacturing facilities focuses on our persistent commitment to innovation, consumer satisfaction, and quality assurance and dedication towards delivering excellence in the industry. Such growth and the ensuing brand strength manifests not just our significant footprint in the pumps and motor industry, but also assures an unwavering continuation of pioneering solutions and offerings, thus, making us one of the leading domestic manufacturers in the Indian pump industry (*Source: TechSci Report*)

We have created a foot hold in the customer base with our strong in-house manufacturing capabilities and quality standard. We have increased our presence to over 100 countries where our products are sold and serviced. We have also increased our exports from INR 1,851.12 million as on March 31, 2022 to INR 2,325.41 million as on March 31, 2023. We believe our long term presence and timely innovations has improved our brand recall and market share.

2. Robust research and development capabilities

Our company has continually distinguished itself in the pumps and motors industry, largely due to our robust Research and Development (R&D) capabilities. As a manufacturing entity, we understand the importance of continuously evolving our product offerings to stay ahead of technological advances and consumer expectations. This understanding forms the backbone of our R&D initiatives. As of February 29, 2024, our research and development team comprised of experts holding doctorate and master's degree in technology (from institutions such as IISc, IITs and NITs) and others which enable us to design and develop innovative products. The team is technically focused on all aspects of our products including a dedicated sub-team focusing on developing EV products. As on the date of Preliminary Placement Document, we have secured 12 (twelve) patents across various verticals in the product development life-cycle, thereby fostering a culture of innovation within the Company, encouraging further development and progress.

We have a dedicated research and development facility that has certification from Department of Scientific and Industrial Research located within our facility at Pithampur, Madhya Pradesh – Unit – I. Our research and development efforts are focused on development of new products and improvement of the quality of our existing products; and driving the design and engineering capabilities along with original design manufacturing. Our R&D efforts place significant emphasis on improving our production processes and augmenting the quality of our existing products and are often driven by specific needs communicated by our customers. We have integrated our testing capabilities to enable faster product development, and have been consistently engaging with our customers in relation to the testing and development process. These robust R&D capabilities have primed our company for sustained industry leadership, cementing our status as the go-to choice for advanced, quality pumps and motors.

Further, as of March 31, 2023, our Company has invested over ₹ 36.56 million (including both capital and revenue R&D expenditure) towards our R&D-related infrastructure.

3. Integrated facility to develop technology and manufacture pumps

Our integrated facility helps us manage every step of creating and producing our pumps and motors. From brainstorming new technologies to crafting and fine-tuning the final products, everything happens under our roof.

Our unified setup promotes collaboration amongst our teams, facilitating quick problem resolution and enabling us to promptly cater to market demands. This self-sufficiency helps us save costs and streamline our operations.

We are one of few companies in the industry to implement ERP in our business that enhances efficiency by streamlining every aspect of the manufacturing process, including planning, procurement, production, sales, and delivery, thereby ensuring adaptability. This integrated approach not only allows us to deliver high-quality, reliable products efficiently but also positions us as one of the leading players in the industry committed to customer satisfaction. It truly is a testament to our belief in constant innovation and a customer-centric approach.

Our capabilities that enable us to provide end-to-end solutions are (i) casting machines, (ii) computerised numerical control (CNC) machines, (iii) lathe and milling machines, (iv) hydraulic presses, (v) welding machines including laser welding, (vi) coil winding machines, (vii) vacuum pressure impregnation machine, (viii) testing equipment like dynamometers, electrical testers, pressure testers, flow meters for compliance with quality and safety standards, (ix) laser marking among others.

Backward integration provides us the benefit of greater control on the manufacturing process, quality and the corresponding benefits of cost efficiencies thereby improving our margins. Backward integration also enables us to have less dependency on third parties, gain control over the quality of components required for manufacturing our products, have upper edge in designing products, improve operational and functional efficiencies and gain strategic advantages over competitors. This also enables us to address our consumers' diverse needs, introduce new and unique products in the market and enhance existing products with emerging technologies. As a result, we are able to fulfil customers' requirements in a timely manner and enhance our ability to offer cost-competitive 'onestop-shop' solutions.

4. Strong and experienced management

Our Company's standing as one of the one of the leading domestic manufacturers in the Indian pump industry (***Source:*** *TechSci Report*) within the competitive sphere of pump manufacturing is significantly attributed to our robust and experienced management.

We are led by our Promoter and Chairman, Dinesh Patidar, and our Managing Director, Ramesh Patidar, who have more than four decades of experience in the pumps and motor industry and have been instrumental in the growth of our Company. Under their leadership we have been able to expand our operations and have established a significant presence in India and export markets. Their commitment to fostering innovation, driving operational efficiency, and maintaining production quality has significantly contributed to our impeccable reputation in the industry. The strength of our management, therefore, is a critical competitive advantage, positioning our Company as reliable, innovative, and one of the domestic leaders in the pumps manufacturing business.

Our Board of Directors includes a combination of management executives and independent directors who bring in diverse expertise. We believe that the combination of our experienced Board of Directors and our Promoters positions us well to capitalize on future growth opportunities. Our Promoters and certain of our Key Managerial Personnel and Senior Management have been with us for several years, demonstrating continuity and commitment in our leadership. Our senior management team has played an instrumental role in solidifying customer relationships. We rely on our leadership and management team's guidance to provide us with a competitive advantage as we seek to grow our business.

5. Manufacture of high quality products and maintenance of quality

The manufacture of high-quality pumps has become a pillar of strength for our Company, along with an unwavering commitment to quality maintenance. Every pump we manufacture undergoes rigorous and continuous quality checks (before dispatch), ensuring uncompromised functionality, durability, and efficiency. Our manufacturing process is constantly fine-tuned in line with global best practices and technological advancements to sustain and enhance product quality.

We work closely with our clients throughout the entire life-cycle of our pumps, from development to final production of our products. We ensure the quality standards of our products through complete testing of the products manufactured. Our post-sale services also ensure a constant level of support and assistance for our customers long after purchase. This assist in reducing the customers' product development processes and time-to market cycles.

Our adherence to the highest quality standards not only secures our market position but significantly boosts our competitive edge. It is the consistency in delivering better quality pumps that has helped us earn continued customer trust and loyalty. In essence, our commitment to producing and maintaining high-quality products has been a crucial factor underpinning our competitive strength in the pumps manufacturing industry.

Strategy

1. ***Increase our green energy initiatives in solar pumps, motors and electronics***

   The global solar pump market has experienced remarkable growth, starting at INR 213.50 billion in CY2018 and soaring to INR 378.64 billion in CY2023. This upward trajectory is projected to continue, with the market expected to reach INR 805.66 billion by 2028, reflecting a robust CAGR of 16.3% during CY2023-CY2028F (*Source: TechSci Report*). The driving forces behind this growth are manifold, including the increasing demand for irrigation, government support through incentives and subsidies, the energy efficiency and cost savings offered by solar pumps, the pressing issues of water scarcity and climate change, and the need for rural electrification and off-grid applications.

   Our company has been an early entrant into this sector. The Company has been part of the PM Kusum Scheme and has been actively participating and receiving orders from various state governments. We are also part of the International Solar Alliance which helps us to keep informed about the developments in the sector.

2. ***Expanding geographical footprint by increasing and maintaining export competency***

   Our principal markets are India, USA , Europe and Middle East. Through our 3 overseas subsidiaries, presently we cater to over 100 countries. With the setting up of our Subsidiaries, we intent to commence direct retail sale. This will also enable us to diversify and grow export markets.

   The Company has executed the water project in Uganda for supplying solar-powered water pumping systems. We believe that this project will provide an entry into the African market and help us in diversifying and expanding through similar projects.

3. ***Expand manufacturing capacity at our existing facilities***

   Our current installed capacity is (i) 5,00,000 units in pumps and motors, (ii) 2,00,000 units in inverter and variable frequency drives and (iii) 1,00,000 units in structures. We are planning a capacity expansion with respect to the new facility in Pithampur, Madhya Pradesh for manufacture of solar powered pumps and motors, inverter, variable frequency drives and structures. For more details, see the section “Use of Proceeds” on page 63.

   We believe this will help us to cater to the growing demand from our existing customers and to meet requirements of new customers, we intend to expand our manufacturing capacities for existing products. We also intend to add manufacturing capacities for our new products that we are in the process of developing and commercializing.

4. ***Continue to nurture innovation through R&D***

   We believe that our R&D team possesses the necessary skills, technology, know-how capabilities and intellectual property competence to develop products and processes that can be manufactured or used in operations in both domestic and international markets. Our growth has been significantly driven by process innovation and it continues to be our Company’s future strategy, with a prioritization on innovation from the executive team to the production staff. We intend to continue nurturing innovation in-house and pursue development of solar energised pumps, for agriculture and industrial sectors.

   The R&D team is focused on building knowledge-based value added products and new competencies in the scaling up the capacity of existing products while lowering the cost of production and improving the existing design parameters to increase the yields and thus the overall product.

Order Book

We have approximately ₹ 22,500 million worth of orders as on December 31, 2023 which is to be executed in next 24 months, as set out below:

By stage of contract

Date	Particulars	Number of Orders	Value (in ₹ million)	Execution Timeline
COMPONENT B - Off-Grid Solar Photovoltaic Water Pumping Systems				
15 Sep 2023	Department of Agriculture, Uttar Pradesh	10,000	2,930	90 days ^

19 Oct 2023	Maharashtra State Electricity Distribution Company Limited (MSEDCL)	50,000	15,500	24 months
29 Dec 2023	Haryana Renewable Energy Department (HAREDA)	6,408	2,580	90 days ^
COMPONENT C - Grid Connected Solar Water Pumping Systems				
07 Oct 2023	Ajmer Vidyut Vitran Nigam Limited	3,011	1,497	9 months ^
	Order as on date to be executed		**~ 22,500**	

Source: Company, ^ From work order received

Products portfolio

We manufacture of a whole range of products including electronic control panels, high-end cables, drip irrigation systems, sprinklers, variable frequency drives, structures, motors and inventors for solar pump installation. The products have wide-ranging applications in sectors such as agriculture, building services, oil and gas, power, metals and mining.

Manufacturing Facilities

As of the date of this Preliminary Placement Document, our Company has the following manufacturing facilities situated at Pithampur, Madhya Pradesh:

S. No.	Facility	Status	Plot No.	Date of Expiry	Area
Company					
1.	Facility 1 - Registered and Corporate Office	Leasehold	400, 412-A, Industrial Area No. 3	November 5, 2040	11,482 sq. m.
		Leasehold	401, 402, Industrial Area No. 3	July 16, 2090	8,362 sq. m.
		Leasehold	413, Industrial Area No. 3	September 18, 2049	40,470 sq. m.
		Leasehold	403, Industrial Area No. 3	June 18, 2049	3,344.62 sq. m.
2.	Facility 2	Leasehold	SEZ F-14, F-15	December 27, 2035	12,753 sq. m.

S. No.	Subsidiary	Status	Plot No.	Date of Expiry	Area
Subsidiaries					
1.	SESPL	Leasehold	155 & 156, Industrial Area No. 3	July 3, 2044	20,234 sq. m.
2.	SEMPL	Leasehold	4, Industrial Area No. 5	September 7, 2121	30,524.90 sq. m.

E&C Plant

Pipe Plant

Our aggregate capacity utilisation of all our facilities for the last three fiscals and the nine month ended December 31, 2023 are as follows:

Key Products	Fiscal 2021			Fiscal 2022			Fiscal 2023			Nine months period ended December 31, 2023		
	Installed capacity (Nos)	Actual Production (Nos)	Utilization	Installed capacity (Nos)	Actual Production (Nos)	Utilization (Nos)	Installed capacity (Nos)	Actual Production (Nos)	Utilization (Nos)	Installed capacity (Nos)	Actual Production (Nos)	Utilization (Nos)
Pumps & Motors	500000	182234	36%	500000	172363	34%	500000	149306	30%	500000	117106	23%
Inverters & VFD's	200000	73022	37%	200000	82382	41%	200000	45777	23%	200000	44478	22%
Structure	100000	44891	45%	100000	57845	58%	100000	42697	43%	100000	24962	25%

Our Subsidiaries

We have currently five subsidiaries and we route our distributor operations primarily through our foreign subsidiaries for their respective geographies. Shakti Energy Solutions Private Limited manufactures solar power structures for our captive consumption. Shakti EV is set up to manufacture and distribute electrical vehicle competent solutions like motors, control panels, battery charging systems, etc. In the fiscal year 2024, we concluded and wound up the operations of our erstwhile subsidiary, Shakti Pumps (Shanghai) Co. Ltd.

Details of our subsidiaries are given below:

S. No.	Name of the subsidiary	Date of Incorporation	Location	Nature of activity
1.	Shakti Pumps USA, LLC	July 26, 2010	740 Florida Central Parkway Suite #1008 Longwood, Florida, USA. 32750*	Sales of pumps and motors and accessories
2.	Shakti Pumps (Bangladesh) Limited	November 6, 2018	Unique Trade Centre, 19th Floor, 8 Panthapath, Karwanbazar, Dhaka 1215, Bangladesh	Sales of pumps and motors and accessories
3.	Shakti Pumps (FZE)	April 6, 2011	Shakti Pumps (FZE) Q4-267, Saif Zone, PO Box 8521, Sharjah, UAE	Sales of pumps and motors and accessories
4.	Shakti Energy Solutions Private Limited (formerly known as Astech Metal Private Limited)	September 6, 2010	Plot No.155, 156, Sector 3, Industrial Growth Centre, Dhar, Pithampur, Madhya Pradesh, - 454774	Manufacturing of solar module mounting structures with advanced fabrication and galvanisation processes.
5.	Shakti EV Mobility Private Limited (formerly known as Shakti Green Industries Private Limited)	December 16, 2021	Plot No.4, Industrial Area, Sector 5, Pithampur III, Dhar, Dhar, Madhya Pradesh - 454774	Manufacturing and distribution of electrical vehicle competent solutions like motors, control panels, battery charging systems, etc.

** Prior to May 25, 2017 the registered place was 821 West Forest Brook Road, Maitland, Florida, USA. 32751*

Research, Development and Technological Capabilities

We have one R&D centres located at Pithampur, Madhya Pradesh. As of February 29, 2024, our research and development team comprised of certain doctorates and Masters of Technology (from institutions such as IISc, IITs and NITs) and others which enable us to design and develop innovative products.

Our R&D capabilities are focused on continuous process improvement and developing more efficient processes by exploring new products and scaling them up for successful commercialization. Our research and development efforts are focused on development of new products and improvement of the quality of our existing products; and driving the design and engineering capabilities along with original design manufacturing.

We believe that our R&D has and will continue to assist us in developing newer technologies and manufacturing processes for existing as well as new products, which will help reduce the cost of production, simplify manufacturing processes to improve safety, reduce environmental load and provide us with other growth opportunities. In Fiscals 2023, 2022 and 2021, we spent ₹ 36.56 million, ₹ 45.25 million and ₹ 33.01 million, respectively, on research and development (including both capital and revenue expenditure).

Quality Control, Testing and Certifications

Our business operates on an integrated quality control system in respect of each segment, which is one of the core elements of the overall management system framework based on total quality management. Quality control is central to our business operations, spanning the full product lifecycle from product planning and R&D, through the stages of development, setting up of facilities, manufacturing operations, sales and supply chain, to the customer evaluation of our products as well as management systems. We ensure the quality standards of our products through complete testing of the products manufactured. Separately, supplier quality evaluation processes are also established and carried out for incoming materials, both for existing and new products manufactured by our Company.

Our manufacturing plant at SEZ F-14, F-15 are certified with ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees.

Customer Service and Support

Our customer service and support team has 60 employees, as of February 29, 2024. We also periodically advice our customers on product life cycle updates and upgrades to keep pace with technological changes and also to circumvent obsolescence.

Repair and Maintenance

We schedule regular repair and maintenance programs for our facilities, including maintenance of machinery and equipment, to maximize production efficiency and avoid unexpected interruption of our operations. We also have periodic scheduled shutdowns for maintenance. Our machinery and electrical repair teams carry out day-to-day maintenance and repair of the facilities and machinery on an as-needed basis.

Raw Materials and Suppliers

The primary raw materials used in the manufacture of our products are stainless steel – 304, CRNGO steel,, copper winding wire and cable, copper rod, stainless steel pump shaft (duplex), Stainless steel INV casting, cast iron, magnet, carbon bush and plate.

The table below provides details of our cost of materials consumed as a percentage of our total expenses:

Particulars	**As of and for the year ended March 31,**			**As of and for the December 31,**	
	2023	**2022**	**2021**	**2023**	**2022**
	(%)				
Raw material consumed	79.19	82.07	79.87	76.23	80.15

We typically issue purchase orders to source key raw materials from approved suppliers for operations in our manufacturing plants or procure them from the open market, depending on market conditions. Over the years, we have continued to diversify our procurement base, as well as evaluate manufacturing certain items in -house.

Utilities

We consume a substantial amount of power and fuel for our business operations. Our manufacturing processes require uninterrupted supply of power and fuel in order to ensure that we are able to manufacture high quality products. Our power requirement for our manufacturing facilities is sourced from local providers. We have also installed generators in our manufacturing facilities to ensure constant supply of power. Further, Shakti Energy manufactures solar power structures for our captive consumption.

Marketing, Sales and Distribution

Our principal markets are India, USA, Europe and Middle East.

We supply our products and services directly to the customers or through our dealers/ distributors network. Further, our sales and marketing team is regularly in contact with our customers, distributors, sales representatives and agents to understand the evolving needs of customers as well as market trends. We also engage in a variety of marketing and promotional activities tailored to different customers groups to promote brand recognition of our products, including by participating in technical shows and events as well as through periodic interactions and by direct marketing to existing and potential customers.

Exports

A portion of our revenue is generated from export of our products to Middle East, USA and Africa which contributed to 44.00%, 30.00% and 15.00% of the total revenue as of Fiscal 2023.

Environmental, Social and Corporate Governance

Our financial performance allows us to make investments in order to ensure responsible and safe operations and help us enrich the communities we work and live in. We believe in caring and nurturing the environment and the community. We work collectively and individually towards a sustainable and green environment.

In this regard, we have carried out installation of solar pumps and systems across multiple villages in India. Further, we have contributed to CSR activities in the area of education, healthcare including preventive healthcare, rural development, sanitation, safe drinking water, among others, either directly by our Company or through non-profit organization, viz. Shakti Foundation.

We are committed to sound principles of Corporate Governance with respect to all of its procedures, policies and practices. The governance processes and systems are continuously reviewed to ensure that highest ethical and responsible standards are being practiced by us.

Logistics

Our suppliers either deliver our raw materials to us or we are required to collect them from our suppliers, depending on the contract terms, at our own costs. Our raw materials are transported to our facilities and our products are transported to our customers by road primarily through cargo trucks.

Information Technology

Our IT infrastructure comprises of third-party solutions and applications maintained internally. The size and complexity of our computer systems make them potentially vulnerable to breakdown, malicious intrusion and computer viruses.

Intellectual Property Rights

We have, amongst others, registered "SHAKTI PUMPING LIFE" trademark, under class 7 of the Trademarks Act, 1999.

As of the date of this Preliminary Placement Document, we have been granted 12 patent registrations. The table below lists the patents held by us:

Sr. No.	Patent title	Patent no.	Status
1	Switching Circuit to Start Single Phase Induction Motor	428060	Valid
2	Solar Flour Mill	485821	Valid
3	Helical Pump Assembly	477934	Valid
4	High Starting Torque Direct Line Operated Energy Efficient Motor	446468	Valid
5	High Starting Torque Direct Line Operated Energy Efficient Motor*	US 11,411,478 B2	Valid
6	ADA Conversion Based Contactor Less Soft Starter	454652	Valid
7	Stack Assembly for Permanent Magnet Rotor	454632	Valid
8	Grinder Pump Assembly with Adjustable Impeller	449933	Valid
9	Threaded Pipe Coupling with Locking Mechanism	419914	Valid
10	Helical Pump Arrangement with Anti Vibration Coupling	493575	Valid
11	Unidirectional Solar Water Pump with Grid Tied Power Generation	393702	Valid
12	Surface Helical Pump Construction with Collinear Flow	490539	Valid

**Granted by the United States Patent and Trademark Office*

Insurance

We maintain insurance against various risks that our business may face. We maintain insurance for, among other things, fire and burglary, vehicles and marine insurance. We believe that our insurance coverage is in accordance with industry custom, including the terms and the coverage provided by such insurance. Also see, "*Risk Factors – An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability*" on page

[50.

Awards and Recognition

Our Company has received the following awards and recognitions:

Year	Award / Recognition	Granted by
2019	Solar Energy Leadership Award	World CSR Day
	India’s most preferred solar energy brand	Informa Markets
2021	Star Performer Award for the year 2020-21 in the product group: Miscellaneous electrical machinery and apparatus	EEPC India

Competition

We face intense competition from domestic and international submersible and solar water pump manufacturers with lower production costs which can affect our market share and pricing strategies. Henceforth, manufacturers have been investing heavily in research and development and technological upgrades to become key differentiators of solar and submersible pumps. (*Source: TechSci Report*)

Human Resources

As of February 29, 2024, we have 602 permanent employees and 1,111 persons employed as contract employees. The following table provides information about our full-time employees, as of February 29, 2024:

Sr.No.	Department	No. of employees
1.	Audit	11
2.	Corporate	10
3.	Environment, health and safety	2
4.	Finance and accounts	26
5.	Human Resource and admin	18
6.	Information technology / ERP	16
7.	Logistics	11
8.	Maintenance	18
9.	Manufacturing	142
10.	Materials	19
11.	Operations	22
12.	Quality assurance	23
13.	R&D and engineering	52
14.	Sales	125
15.	Security	4
16.	Service	60
17.	Stores	11
18.	Others	32
	Total	602

Corporate Social Responsibility

We have constituted a Corporate and Social Responsibility Committee of our Board and have adopted and implemented a CSR policy, pursuant to which we carry out various CSR activities. In this regard, we have carried out installation of solar pumps and systems across multiple villages in India. Further, we have contributed to CSR activities in the area of education, skill development, healthcare including preventive healthcare, rural development, sanitation, safe drinking water, among others, either directly by our Company or through non-profit organization, viz. Shakti Foundation.

Properties

Our Registered and Corporate office is held by us on a leasehold basis and is located at Plot No. 401, 402 & 413, Sector 3, Industrial Area, Pithampur, Dhar, Madhya Pradesh - 454774. We are in the process of shifting our corporate office to Plot No. C-04, Silver Spring Township, Phase 2, Business Park, A. B. Road bypass, Nayta Mundla, Indore, Madhya Pradesh – 452020.

We have four manufacturing facilities, which are located in Pithampur, Madhya Pradesh. Each of our manufacturing facilities are located on land that is owned or leased to us. For further information, see “ – *Manufacturing Facilities*” on page 117.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of our Board is governed by the provisions of the Companies Act, 2013, the SEBI Listing Regulations and the Articles. In accordance with the Articles, our Company shall not have less than three Directors and more than fifteen Directors, provided that our Company may appoint a director in excess of the limit provided by passing a special resolution. As of the date of this Preliminary Placement Document, our Company has six Directors, of which 3 are Whole-Time Directors and 3 are Independent Directors including one woman Director.

The following table sets forth details regarding our Board as of the date of this Preliminary Placement Document:

Name, date of birth, address, occupation, nationality term and DIN	Age	Designation
Dinesh Patidar ***Date of Birth:*** March 25, 1962 ***Address***: 354, Saket Nagar Near K.D. Cere Hospital, NA, Indore, Madhya Pradesh – 452018 ***Occupation****:* Business ***Nationality****:* Indian ***Term****:* Three years with effect from August 11, 2023 to August 10, 2026 ***DIN***: 00549552	61 years	Chairman and Whole-Time Director
Ramesh Patidar ***Date of Birth:*** January 25, 1973 ***Address***: – 208 H Nalanda Parisar Kesar Bagh Road, NA, Indore, Madhya Pradesh - 452012 ***Occupation:*** Business ***Nationality****:* Indian ***Term****:* Three years with effect from August 11, 2023 to August 10, 2026 ***DIN***: 00931437	51 years	Managing Director
Sunil Patidar ***Date of Birth:*** July 13, 1969 ***Address***: 354, Saket Nagar, Near K.D. Cere Hospital, Indore Madhya Pradesh - 452018 ***Occupation:*** Business ***Nationality****:* Indian ***Term****:* Five years from January 29, 2021 till January 28, 2026 ***DIN***: 02561763	54 years	Whole-Time Director
Navin Patwa ***Date of Birth:*** August 14, 1975 ***Address***: 201, Vitarg Apartment, 64, Shakti Nagar Mahavir Nagar, Indore, Madhya Pradesh - 452012 ***Occupation****:* Service	48 years	Independent Director

Name, date of birth, address, occupation, nationality term and DIN	Age	Designation
Nationality**:* Indian ***Term**:* Five years from July 31, 2019 to July 30, 2024 ***DIN: 01009404		
Keyur Thaker ***Date of Birth:*** February 23, 1975 ***Address***: 110, Ashok Vatika Pigdambar , Indore, Madhya Pradesh - 453331 ***Occupation**:* Teacher ***Nationality**:* Indian ***Term**:* Five years from June 10, 2024 to June 9, 2029 ***DIN***: 08474827	49 years	Independent Director
Nishtha Neema ***Date of Birth:*** December 1, 1980 ***Address***: 26, Saraswati Nagar, Annapurna Road, Indore, Madhya Pradesh- 452009 ***Occupation**:* Professional ***Nationality**:* Indian ***Term**:* Five years from March 27, 2020 to March 26, 2025 ***DIN***: 01743710	43 years	Independent Director

Brief profiles of our Directors

Dinesh Patidar is the Chairman and Whole-Time Director of our Company. He currently serves as the chairman of Federation of Indian Chambers of Commerce and Industry, Madhya Pradesh. He has been instrumental in growing our business, and from 1990 to 1995, he served as one of the partners of the erstwhile M/s. Shakti Electrical Industries ("**SEI**"), which was established in 1982, and which was later converted into our Company in 1995. He has been a director on the board of our Company Limited since incorporation.

Ramesh Patidar is the Managing Director of our Company. He holds a Master's degree in Business Administration from Devi Ahilya Vishwavidyalaya, Indore. He has been a director on the board of our Company since 2006.

Sunil Patidar is a Whole-Time Director of our Company. He was a partner of SEI from 1990 to 1995. He has significantly contributed to the expansion of our business, and has been a director on the board of our Company since incorporation.

Keyur Thaker is an Independent Director of our Company. He holds a doctorate in management from Hemchandracharya North Gujrat University, Patan. He is one of the faculty members of Indian Institute of Management, Indore, in the field of accounts and finance.

Navin Patwa is an Independent Director on the Board of our Company. He is a qualified company secretary and holds a bachelor's degree in law from Devi Ahilya Vishwavidyalaya, Indore. He has been serving as the company secretary of Sam Industries Limited since 2003.

Nishtha Neema is an Independent Director on the Board of our Company. She is a qualified chartered accountant and holds a bachelor's degree in commerce from Mohanlal Sukhadia University, Udaipur. She has successfully passed the Information Systems Audit Assessment Test conducted by the Institute of Chartered Accountants of India. She currently serves as a partner in M/s. Subhash Chand Jain Anurag & Associates.

Relationship with other Directors

Except as disclosed below, none of our Directors are related to each other:

Name of Directors	Nature of Relationship
Dinesh Patidar and Sunil Patidar	Brothers

Borrowing powers of our Board

In accordance with the Articles of Association, our Board of Directors has been empowered to borrow funds in accordance with applicable law. Pursuant to the resolution dated September 29, 2021, passed by our Shareholders, our Board is authorized to borrow any sum or sums of money for and on behalf of our Company, from time to time provided that such or sums of monies so borrowed together with monies, if any, already borrowed by our Company (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business) in excess of the aggregate of the paid up share capital of our Company and its free reserves provided further that total amount up to which monies may be borrowed shall not exceed ₹10,000 million, at any time. Our borrowing limits may be changed from time to time, subject to approval of the Board and our Shareholders.

Interest of our Directors

Our Directors may be deemed to be interested to the extent of their shareholding, remuneration and fees payable to them for attending meetings of our Board or committees thereof, as well as to the extent of reimbursement of expenses payable to them and benefits to which they are entitled to as per their terms of appointment, and the Whole-Time Directors of our Company may be deemed to be interested to the extent of remuneration paid to them for services rendered.

Except Dinesh Patidar and Sunil Patidar, none of our Directors have any interest in the promotion of our Company.

Our Directors may also be regarded as interested in any Equity Shares held by them and to the extent of any dividend payable to them and other distributions or benefits in respect of the Equity Shares held by them. Our Directors may also be regarded as interested in the Equity Shares held by their trusts in which they are interested as members and trustees.

Shareholding of Directors

As per our Articles, our Directors are not required to hold any qualification shares.

Except as disclosed below, none of our Directors hold Equity Shares in our Company as of the date of this Preliminary Placement Document:

Name of the Director	Designation	Number of Equity Shares	Percentage (%) shareholding
Dinesh Patidar*	Chairman and Whole-Time Director	3,768,100	20.50
Ramesh Patidar	Managing Director	76,848	0.42
Sunil Patidar**	Whole-Time Director	1,562,200	8.50

** As a trustee of Shakti Sons Trust*
*** As a trustee of Shakti Brothers Trust*

Terms of appointment of Whole-Time Directors

Dinesh Patidar

Dinesh Patidar is the Chairman and Whole-Time Director of our Company. The following is a description of the current terms of appointment of Dinesh Patidar pursuant to the Board resolution dated August 11, 2023 and Shareholders' resolution dated September 28, 2023:

Particulars	Amount /Description
Basic salary	₹7.50 million p.m.
Allowances comprising of housing, leave travel allowance, special allowance, *etc.*	₹1.00 million p.a.
Incentive	Upto 1.00% on sales
Perquisites	

Particulars	Amount /Description
Medical benefit	Company's group medical benefit scheme or any other scheme for the time being in force for medical services/benefits for self and family
Personal accident insurance	Maximum sum assured of ₹0.01 million
Vehicle	Company's car with driver
Provident fund	As per our Company's policies
Gratuity	As per our Company's policies

Ramesh Patidar

Ramesh Patidar is the Managing Director of our Company. The following is a description of the current terms of appointment of Ramesh Patidar pursuant to the Board resolution dated August 11, 2023 and Shareholders' resolution dated September 28, 2023:

Particulars	Amount /Description
Basic salary	₹7.50 million p.a.
Allowances comprising of housing, leave travel allowance, special allowance, *etc.*	₹0.50 million p.a.
Incentive	Upto ₹2.50 million p.a.
Perquisites	
Medical benefit	Company's group medical benefit scheme or any other scheme for the time being in force for medical services/benefits for self and family
Personal accident insurance	Maximum sum assured of ₹0.01 million
Vehicle	Company's car with driver
Provident fund	As per our Company's policies
Gratuity	As per our Company's policies

Sunil Patidar

Sunil Patidar is the Whole-Time Director of our Company. The following is a description of the current terms of appointment of Sunil Patidar pursuant to the Board resolution dated October 16, 2020 and Shareholders' resolution September 29, 2021:

Particulars	Amount /Description
Basic salary	₹0.10 million p.m.
Perquisites	
Medical benefit	Reimbursement of actual medical expenses incurred by self and family
Health insurance	Health insurance premium for self and dependent family members
Leave travel concession	Self and family once in a year
Personal accident insurance	Maximum sum assured of ₹0.01 million
Vehicle	Company's car with driver
Educational allowance	Upto ₹0.30 million p.a.
Other benefits	Performance incentives and commission
Provident fund	As per our Company's policies
Gratuity	As per our Company's policies
Leave encashment	Payable annually in excess of 90 days

Remuneration paid to Whole-Time Directors

The following tables set forth the details of remuneration paid by our Company to the Whole-Time Directors of our Company for Fiscal 2021, Fiscal 2022, Fiscal 2023 and for the current Fiscal:

(in ₹ million)

Name of the Director	Remuneration for Fiscal 2021	Remuneration for Fiscal 2022	Remuneration for Fiscal 2023	Remuneration for the period from April 1, 2023 till February 29, 2024
Dinesh Patidar	85.60	90.00	90.00	82.50
Ramesh Patidar	3.89	4.58	4.52	5.77
Sunil Patidar	1.03	1.26	1.20	1.10

Sitting Fees to the Independent Directors

Our Independent Directors are entitled to receive sitting fees for attending meetings of our Board of Directors or any of its committee and other payments as may be determined by our Board from time to time. Pursuant to a resolution passed by our Board dated February 16, 2024, our Independent Directors are entitled to sitting fees of ₹ 0.05 million for attending each meeting of our Board the committees of the Board.

The following tables set forth the details of sitting fees paid by our Company to the Independent Directors of our Company for Fiscal 2021, Fiscal 2022, Fiscal 2023 and for the current Fiscal:

(in ₹ million)

Name of the Director	Sitting fees for Fiscal 2021	Sitting fees for Fiscal 2022	Sitting fees for Fiscal 2023	Sitting fees from For the period from April 1, 2023 till February 29, 2024
Navin Patwa	0.20	0.25	0.20	0.40
Nishtha Neema	0.20	0.25	0.20	0.40
Keyur Thaker	0.20	0.25	0.20	0.40
Pramod Kumar Bhavsar (former director)	0.20	0.25	0.05	Nil

Prohibition by SEBI or other Governmental Authorities

Neither our Company, nor our Directors or Promoters are debarred from accessing capital markets under any order or direction made by SEBI or any other governmental authority.

None of the Directors of the companies with which they are or were associated as promoters, directors or persons in control have been debarred from accessing the capital market under any order or direction passed by SEBI or any other governmental authority.

Key Managerial Personnel

The Key Managerial Personnel are permanent employees of our Company. In addition to the Managing Director, the Chairman and Whole-Time Directors, the details of our other Key Managerial Personnel in terms of the Companies Act and the SEBI ICDR Regulations as on the date of this Preliminary Placement

Name	Designation
Dinesh Patel	Chief Financial Officer
Ravi Patidar	Company Secretary and Compliance Officer

Brief profiles of our Key Managerial Personnel

Dinesh Patel is the Chief Financial Officer of our Company. He is a qualified fellow chartered accountant and associate Cost Accountant. He has also successfully passed the Professional Programme Examination of the Institute of Company Secretaries of India. Prior to joining our Company, he has served as the Manager (Finance & Accounts) with Mahindra & Mahindra Limited.

Ravi Patidar is the Company Secretary and Compliance Officer of our Company. He is a qualified company secretary. Prior to joining our Company, he had been associated with Texmo Pipes and Products Limited as their Company Secretary and Olive Commercial Company Limited as Member (Company Secretary).

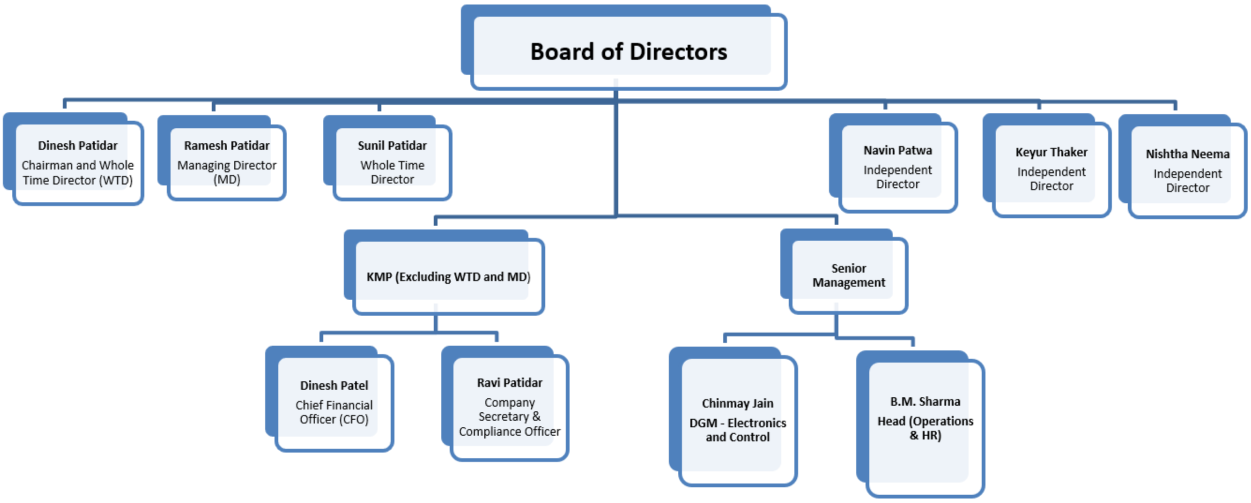
Members of Senior Management

Other than our Key Managerial Personnel as disclosed above, following are the members of the senior management:

Name	Designation
Chinmay Jain	Chief Technical Officer
B. M. Sharma	Head (Operations and Human Resource)

Organisational chart of our Company

Set forth below is the organisational chart of our Company:



Relationship between Key Managerial Personnel

Other than as disclosed under "– *Relationship with other Directors*" on page 124, none of our Key Managerial Personnel are related either to each other or to the Directors.

Interest of Key Managerial Personnel

Other than as disclosed under "*Interest of our Directors*" on page 124, our Key Managerial Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Other than as disclosed under "*Interest of our Directors*" on page 124, none of our Key Managerial Personnel have been paid any consideration of any nature from our Company, other than their remuneration.

We confirm that there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel was selected as member of senior management.

Corporate Governance

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance, including constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations.

Committees of our Board of Directors

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations and applicable circulars or directions issued by the RBI. The statutory committees of our Board are: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Stakeholders' Relationship Committee; (iv) Risk Management Committee; and (v) Corporate Social Responsibility Committee.

The following table sets forth details of members of the committees of our Board, as on the date of this Preliminary Placement Document:

Committee	Name and Designation of Members
Audit Committee	Nishtha Neema (Chairperson), Navin Patwa and Ramesh Patidar
Nomination and Remuneration Committee	Navin Patwa (Chairman), Keyur Thaker and Nishtha Neema
Stakeholders Relationship Committee	Navin Patwa (Chairman), Keyur Thaker and Nishtha Neema
Risk Management Committee	Ramesh Patidar (Chairman), Navin Patwa and Nishtha Neema

Committee	Name and Designation of Members
Corporate Social Responsibility Committee	Keyur Thaker (Chairman), Navin Patwa and Nishtha Neema
Treasury Committee	Ramesh Patidar (Chairman), Dinesh Patidar and Navin Patwa

Other Confirmations

None of our Promoters or Directors or Key Managerial Personnel have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Neither our Company, nor the Directors or Promoters are identified as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the RBI.

None of our Promoters or Directors have been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Neither our Company, nor our Directors, or our Promoters or the companies with which our Promoters are or have been associated as a promoter or a person in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other governmental authority.

None of the Directors, Promoters and Key Managerial Personnel of our Company intend to subscribe to the Issue.

No change in control of our Company will occur consequent to the Issue.

Policy on disclosures and internal procedure for Prevention of Insider Trading

The SEBI Insider Trading Regulations apply to our Company and our employees and require our Company to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and conduct for the prevention of insider trading. Our Company has implemented a code of conduct for prevention of insider trading in accordance with the SEBI Insider Trading Regulations.

Related Party Transactions

For details in relation to the related party transactions entered into by our Company during the nine months ended December 31, 2023 and the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, see "*Financial Information*" and "*Related Party Transactions*" on pages 179 and 39, respectively.

ORGANISATIONAL STRUCTURE OF OUR COMPANY

Corporate History

Our Company was originally incorporated as M/s. Shakti Electrical Industries pursuant to a deed of partnership dated November 15, 1982 executed at Pithampur, Madhya Pradesh. Thereafter, the firm was converted into a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation granted by the RoC. Our Company received a certificate for commencement of business on June 14, 1995, pursuant to the provisions of the Companies Act, 1956.

Our Company's CIN is L29120MP1995PLC009327.

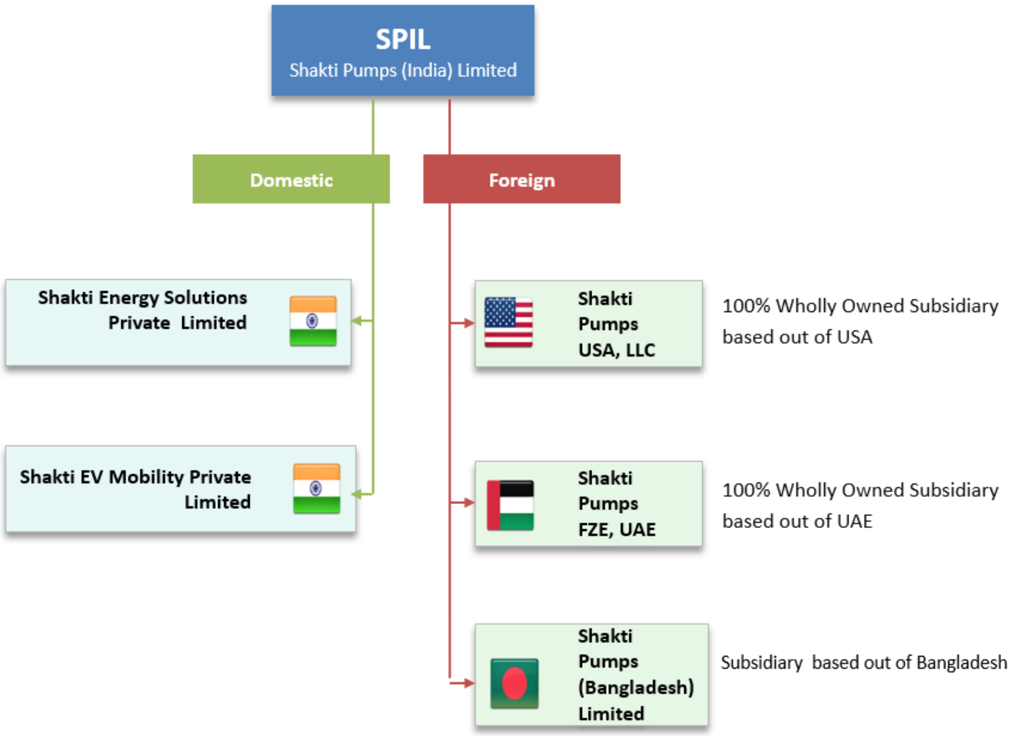
The Registered and Corporate Office of our Company is located at Plot No. 401, 402 & 413, Sector 3, Industrial Area, Pithampur, Dhar, Madhya Pradesh – 454774.

Our Equity Shares are listed on BSE and NSE since February 13, 1996 and January 29, 2015, respectively.

Organizational Structure

As of the date of this Preliminary Placement Document, we have five Subsidiaries (including 3 foreign subsidiaries). For further details, see "*Definitions and Abbreviations*" and "*Financial Information*" on pages 20 and 179, respectively.

Our organisational structure is set forth below:



SHAREHOLDING PATTERN OF OUR COMPANY

Shareholding pattern of our Company as on December 31, 2023

The following table sets forth the details regarding the equity shareholding pattern of our Company as on December 31, 2023.

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+C)							
								Class e.g.: Equity Shares	Class e.g.: Others	Total				Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
(A)	Promoters and Promoter Group	10	1,03,33,300	Nil	Nil	1,03,33,300	56.22	1,03,33,300	Nil	1,03,33,300	Nil	Nil	56.22	Nil	Nil	Nil	Nil	10333300
(B)	Public	47,492	80,46,856	Nil	Nil	80,46,856	43.78	80,46,856	Nil	80,46,856	Nil	Nil	43.78	Nil	Nil	Nil	Nil	8025354
(C)	Non-Promoter-Non Public	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(C1)	Shares underlying depository receipts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(C2)	Shares held by employee trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total	47,502	1,83,80,156	Nil	Nil	1,83,80,156	100	1,83,80,156	Nil	1,83,80,156	Nil	Nil	Nil	Nil	Nil	Nil	Nil	**18358654**

Statement showing shareholding pattern of our Promoters and Promoter Group

The following table sets forth the details regarding the equity shareholding pattern of our Promoters and Promoter Group as on December 31, 2023.

Category	Category & Name of shareholder (I)	Entity type (II)	Number of Shareholders (III)	Number of fully paid- up Equity Shares held (IV)	Number of partly paid- up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V) + (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
									Number of Voting Rights			Total as a % of (A+B + C)							
									Class e.g.: Equity Shares	Class e.g.: Others	Total				Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
A(1)	**Indian**																		
(a)	Individuals / Hindu Undivided Family		5	1766000	Nil	Nil	1766000	9.61	1766000	Nil	1766000	9.61	Nil	9.61	Nil	Nil	Nil	Nil	1766000
(b)	Any other (Specify)		5	8567300	Nil	Nil	8567300	46.61	8567300	Nil	8567300	46.61	Nil	46.61	Nil	Nil	Nil	Nil	8567300
	Sub Total (A)(1)		10	10333300	Nil	Nil	10333300	56.22	10333300	Nil	10333300	56.22	Nil	56.22	Nil	Nil	Nil	Nil	10333300
A(2)	**Foreign**		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total = A(1)+ A(2)		10	10333300	Nil	Nil	10333300	56.22	10333300	Nil	10333300	56.22	Nil	56.22	Nil	Nil	Nil	Nil	10333300

Statement showing shareholding pattern of the public Shareholders

The following table sets forth the details regarding the equity shareholding pattern of the public Shareholders as on December 31, 2023:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V) + (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights: Class e.g.: Equity Shares	Number of Voting Rights: Class e.g.: Others	Number of Voting Rights: Total	Total as a % of (A+B + C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
B(1)	**Institutions (Domestic)**																	
(a)	Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b)	Alternative Investments Funds	3	56089	Nil	Nil	56089	0.31	56089	Nil	56089	Nil	Nil	0.31	Nil	Nil	Nil	Nil	56089
(c)	Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-Total B(1)	3	56089	Nil	Nil	56089	0.31	56089	Nil	56089	Nil	Nil	0.31	Nil	Nil	Nil	Nil	56089
B(2)	Foreign Direct Investment	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(a)	Foreign Portfolio Investors Category-I	20	90123	Nil	Nil	90123	0.49	90123	Nil	90123	Nil	Nil	0.49	Nil	Nil	Nil	Nil	90123
(b)	Foreign Portfolio Investors Category-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

	II																	
	Sub-Total B(2)	20	90123	Nil	Nil	90123	0.49	90123	Nil	90123	Nil	Nil	0.49	Nil	Nil	Nil	Nil	90123
B(3)	**Central Government / State Government (s)**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
B(4)	**Non-Institutions**																	
(a)	Resident Individuals holding nominal share capital up to ₹0.2 million	45794	4502544	Nil	Nil	4502544	24.50	4502544	Nil	4502544	24.50	Nil	24.50	Nil	Nil	Nil	Nil	4502544
(b)	Resident Individuals holding nominal share capital in excess of ₹0.2 million	25	1905125	Nil	Nil	1905125	10.37	1905125	Nil	1905125	10.37	Nil	10.37	Nil	Nil	Nil	Nil	1905125
(c)	Non-Resident Indians	738	201442	Nil	Nil	201442	1.10	201442	Nil	201442	1.10	Nil	1.10	Nil	Nil	Nil	Nil	201442
(d)	Foreign Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e)	Directors and their relatives (excluding independent directors and nominee directors)	1	76848	Nil	Nil	76848	0.42	76848	Nil	76848	0.42	Nil	0.42	Nil	Nil	Nil	Nil	76848
(f)	Investor Education and Protection Fund (IEPF)	1	30151	Nil	Nil	30151	0.16	30151	Nil	30151	0.16	Nil	0.16	Nil	Nil	Nil	Nil	30151
(g)	Body Corporates	195	753099	Nil	Nil	753099	4.10	753099		753099	4.10	Nil	4.10	Nil	Nil	Nil	Nil	753099
(h)	Any other (specify)	715	431435	Nil	Nil	431435	2.35	431435		431435	2.35	Nil	2.35	Nil	Nil	Nil	Nil	431435

	Sub-Total B(4)	47469	7900644	Nil	Nil	7900644	42.98	7900644.00	Nil	7900644	42.98	Nil	42.98	Nil	Nil	Nil	Nil	7879142
	Total B=B(1)+B(2)+B(3)+B(4)	47492	8046856	Nil	Nil	8046856	4378	8046856	Nil	8046856	43.78	Nil	43.78	Nil	Nil	Nil	Nil	8046856

Statement showing shareholding pattern of the non – Promoter – non-public Shareholder:

The following table sets forth the details regarding the equity shareholding pattern of the non- Promoter- non- public Shareholders as on December 31, 2023:

Sl. No.	Category & Name of the Shareholders (I)	No of shareholders	Total no. of shares held =(IV)+ (V)+(VI)	Shareholding % calculated as per SCRR. 1957) As a % of (A+B+C2) (VIII)	Number of Locked in shares (XII)		Number of equity shares held in dematerialized form
					No.	As a % of total shares held	
(1)	Custodian / DR Holder	Nil	Nil	Nil	Nil	Nil	Nil
(2)	Employee Benefit Trust/Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021	Nil	Nil	Nil	Nil	Nil	Nil
	Total Non-Promoter - Non Public Shareholding (C)=(C)(1)+(C)(2)	Nil	Nil	Nil	Nil	Nil	Nil

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to Bidding, payment of Application Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below, and investors are assumed to have apprised themselves of the same from our Company or the Book Running Lead Manager. Prospective Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Eligible QIBs that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLM and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the BRLM and their respective directors, officers, employees, counsels, agents, affiliates, and representatives accept no responsibility or liability for advising any Eligible QIBs on whether such Eligible QIB was eligible to acquire the Equity Shares. Also see "Selling Restrictions" and "Transfer Restrictions and Purchaser Representations" on pages 151 and 152, respectively.

Our Company, the Book Running Lead Manager and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013 and rules thereunder, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, our Company, being a listed company in India, may issue Equity Shares to Eligible QIBs, provided that:

- our Shareholders have passed a special resolution approving the Issue. Such special resolution *inter alia* must specify (a) that the allotment of Equity Shares is proposed to be made pursuant to a qualified institutions placement and (b) the Relevant Date;

- the explanatory statement to the notice to our Shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through the Issue, are listed on the Stock Exchanges, for a period of at least one year prior to the date of issuance of notice to our shareholders for convening the meeting to pass the above-mentioned special resolution;

- invitation to apply in the Issue must be made through a private placement offer-cum-application letter (i.e., this Preliminary Placement Document) and an Application Form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within

30 days of recording the name of such person in accordance with applicable law; the allotments with respect to any earlier offer or invitation made by our Company shall have been completed or our Company shall have withdrawn or abandoned such invitation or offer made, except as permitted under the Companies Act, 2013;

- in accordance with the SEBI ICDR Regulations, issuance and allotment of Equity Shares shall be made only in dematerialized form;

- our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application letter (i.e., the Preliminary Placement Document and the Application Form), our Company must prepare and record a list of Eligible QIBs to whom the offer will be made. The qualified institutions placement must be made only to such Eligible QIBs whose names are recorded by the issuer prior to the invitation to subscribe;

- our Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited;

Our Company confirms that:

- the Promoter and Directors are not Fugitive Economic Offenders;

- the Promoter or Directors are not declared as Wilful Defaulters;

- the Promoter or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 1, 2016.

At least 10% of the Equity Shares issued pursuant to this Issue to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the Stock Exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of not more than 5% of the floor price is permitted in accordance with the provisions of the SEBI ICDR Regulations. Our Board through its resolution dated January 18, 2024 and our Shareholders by way of a resolution through postal ballot on February 20, 2024 have authorised our Board to decide the quantum of discount up to 5% of the Floor Price at the time of determination of the Issue Price.

The Issue Price shall be subject to appropriate adjustments, if our Company makes any alteration to its share capital as mentioned in Regulation 176 (4) of the SEBI ICDR Regulations.

The "Relevant Date" referred to above means the date of the meeting in which the Board or duly authorised committee thereof decides to open the Issue and "stock exchange", for the purposes of determination of price, means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

The Equity Shares will be Allotted within 365 days from the date of our Shareholder's resolution approving the Issue, being and within 60 days from the date of receipt of Application Amount from the Successful Bidders failing which our Company shall refund the Bid Amount in accordance with applicable laws. For details of refund of Application Amount, see "*– Pricing and Allocation – Designated Date and Allotment of Equity Shares*" on page 146.

Subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of this Preliminary Placement Document and the Placement Document, which shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of the Preliminary Placement Document addressed to you, you may not rely on the Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of allottees with respect to a QIP shall not be less than:

- two, where the issue size is less than or equal to ₹2,500 million; and
- five, where the issue size is greater than ₹2,500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "– *Bid Process - Application Form*" on page 143.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognized stock exchange.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 151 and 152, respectively.

The Equity Shares issued pursuant to this Issue have not been and will not be registered, listed, or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Our Company has filed a draft of this Preliminary Placement Document with each of the Stock Exchanges. Our Company has received in-principle approvals from each of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares on the BSE and NSE on December 18, 2023.

We shall also make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules.

The Issue has been authorised and approved by our Board on January 18, 2024 and our Shareholders by special resolution passed through postal ballot on February 20, 2024.

Issue Procedure

1. On the Issue Opening Date, our Company and the Book Running Lead Manager shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to identified Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched or circulated, as the case may be. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered will be determined by our Company in consultation with the BRLM, at their sole discretion.

2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Application Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer to subscribe**

shall be deemed to have been made to such Eligible QIB. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible QIBs may submit the Application Form, including any revisions thereof along with the Application Amount transferred to the Escrow Account specified in the Application Form and a copy of the PAN card or PAN allotment letter, and/or any other documents mentioned in the Application Form, during the Issue Period to the Book Running Lead Manager. Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law.

4. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

5. Bidders will be required to indicate the following in the Application Form:

   - full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, email id, PAN details (if applicable), phone number and bank account details;
   - A representation that it is outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S and it has agreed to certain other representations set forth in this Preliminary Placement Document and in the Application Form;
   - number of Equity Shares Bid for;
   - price at which they are agreeable to subscribe for the Equity Shares and the aggregate Application Amount for the number of Equity Shares Bid for;
   - Equity Shares held by the Eligible QIBs in our Company prior to the Issue;
   - details of the depository account to which the Equity Shares should be credited pursuant to this Issue; and
   - Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

6. Eligible QIBs shall be required to make the entire payment of the Application Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "*Shakti Pumps (India) Limited - QIP -Escrow Account*" with the Escrow Bank within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Application Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. Application Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment, Application Amounts received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such

Bidder, (c) the Application Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "- *Refunds*" on page 147.

7. Once a duly completed Application Form is submitted by a Bidder and the Application Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

8. Eligible QIBs acknowledge that in accordance with the requirements of the Companies Act, 2013, upon Allocation, our Company will disclose the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares were allocated to it.

9. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

10. Upon receipt of the duly completed Application Form and the Application Amount in the Escrow Account, on or after the Issue Closing Date, our Company shall, in consultation with Book Running Lead Manager determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the Book Running Lead Manager, on behalf of our Company, will send the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form. **Please note that the Allocation will be at the absolute discretion of our Company and shall be in consultation of the Book Running Lead Manager.**

11. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose the names of proposed allottees and the percentage of their post-Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.

12. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Manager, shall, on our behalf, send a serially numbered Placement Document to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

13. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.

14. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the depository participant, as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

15. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

16. Our Company will then apply for the final trading approvals from the Stock Exchanges.

17. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

18. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Book Running Lead Manager shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

19. In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in the Refund Intimation which will be dispatched to such Bidder.

Eligible Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to foreign portfolio investors, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, Eligible QIBs, who are eligible to participate in the Issue (not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations) and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;
- Mutual Funds registered with SEBI;
- pension funds with minimum corpus of ₹250 million registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013;
- provident funds with minimum corpus of ₹250 million;
- public financial institutions, as defined under Section 2(72) of the Companies Act, 2013;
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- systemically important non-banking financial companies.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

Eligible FPIs are permitted to participate through the portfolio investment scheme under Schedule II of FEMA Rules respectively, in this Issue. Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs do not exceed specified limits as prescribed under applicable laws in this regard. Other eligible non-resident QIBs shall participate in the Issue under Schedule I of the FEMA Rules, subject to other conditions mentioned in the FEMA Rules.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or more of the post-Issue equity share capital of our Company, and the total holding of all FPIs, collectively, shall not exceed 24% of the paid-up equity share capital of our Company. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

With effect from April 1, 2020, the aggregate limit for FPI investments shall be the sectoral caps applicable to our Company (i.e. up to 100% under the automatic route as we are engaged in the manufacturing sector). Further, if any FPI holds 10% or more of the Equity Share capital of our Company, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in the company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail fund where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Restriction on Allotment

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, or any person related to, the Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoters:

- rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on our Board.

Provided, however, that a QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

Our Company, the BRLM and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply in the Issue. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document.

Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of under subscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the Book Running Lead Manager who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/or the Book Running Lead Manager in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document and the Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made the following representations, warranties, acknowledgements and undertakings as well as those given or made under the sections "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 3, 5, 151 and 152, respectively:

1 The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2 The Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;

3 The Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoters;

4 The Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

5 The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

6 The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

7 The Eligible QIB confirms that it is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The Eligible QIB further confirms that the holding of the Eligible QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;

8 The Eligible QIB confirms that its Bid would not result in triggering an open offer under the SEBI Takeover Regulations;

9 The Eligible QIB agrees that although the Application Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013 and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Manager. The Eligible QIB further acknowledges and agrees that the payment of Application Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

10 The Eligible QIB acknowledges that in terms of the requirements of the Companies Act 2013, upon Allocation, our Company will be required to disclose names as proposed Allottees and percentage to post-Issue shareholding of the proposed Allottees in the Placement Document and consents to such disclosure, if

any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLM;

11 The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

a. Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB; and

b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(c) of the SEBI Takeover Regulations;

12 The Eligible QIB acknowledges that no Allotment shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price;

13 Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

14 The Eligible QIBs confirm that they shall not undertake any trade in the Equity Shares credited to their beneficiary accounts maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares Allotted in the Issue are issued by the Stock Exchanges; and

15 The Eligible QIB confirms that:

a. If it is outside the United States, it is subscribing to the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate; and

b. It has read and understood, and by making a Bid for the Equity Shares through the Application Forms and pursuant to the terms of this Preliminary Placement Document, will be deemed to have made the representations, warranties and agreements made under the sections entitled "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 3, 5, 151 and 152, respectively.

ELIGIBLE QIBS MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, EMAIL ID, PHONE NUMBER, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO, REQUIRED BY THE BOOK RUNNING LEAD MANAGER, THE ELIGIBLE QIBS SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGER TO EVIDENCE THEIR STATUS AS AN "ELIGIBLE QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE ELIGIBLE QIBS SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the

Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Application Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter. Additionally, the Application Form will include details of the relevant Escrow Account into which the Application Amounts will have to be deposited. The Application Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Manager either through electronic form or through physical delivery at the following address:

Ernst & Young Merchant Banking Services LLP
The Ruby, 14th Floor,
29 Senapati Bapat Marg, Dadar (W),
Mumbai, Maharashtra – 400028
Contact Person: Gigy Mathew/ Simran Ratti
Email: projectshakti@in.ey.com
Phone no.: +91 22 6192 0000;

The Book Running Lead Manager shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

Bidders Bidding in the Issue shall pay the entire Application Amount along with the submission of the Application Form, within the Issue Period.

Payment of Application Amount

Our Company has opened the "*Shakti Pumps (India) Limited – QIP Escrow Account*" with the Escrow Bank, in terms of the arrangement among our Company, the Book Running Lead Manager and the Escrow Bank. Bidders will be required to deposit the entire Application Amount payable for the Equity Shares applied for through the Application Form submitted by it in accordance with the applicable laws.

Note: Payments are to be made only through electronic fund transfer. Payments through cheques or demand draft or cash shall be rejected. If the payment is not made favouring the "*Shakti Pumps (India) Limited – QIP Escrow Account*" account within the Issue Period stipulated in the Application Form, the Application Form of the QIB is liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in "Shakti Pumps (India) Limited – QIP Escrow Account" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Application Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "– *Refunds*" on page 147.

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the Income Tax Act, 1961 in the Application Form and enclose a copy of the PAN card or PAN allotment letter along with the Application Form, to the extent applicable.

Applications without this information will be considered incomplete and are liable to be rejected. Bidders should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank Account Details

Each Bidder shall mention the details of the bank account from which the payment of Application Amount has been made along with confirmation that such payment has been made from such account.

Pricing and Allocation

Build-up of the Book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Manager. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Book Running Lead Manager.

Price Discovery and Allocation

Our Company, in consultation with the Book Running Lead Manager, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by our Shareholders through a resolution passed through postal ballot on February 20, 2024.

After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Manager on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with Book Running Lead Manager have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL BIDDERS. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGER IS OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Application Amount, our Company, in consultation with the Book Running Lead Manager, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Application Amount for the Equity Shares Allotted shall be notified to such Successful Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to furnish all details that may be required by the Book Running Lead Manager. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in "*Notice to Investors*" on page 3 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

The Equity Shares in the Issue will be issued, and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Successful Bidders' beneficiary demat accounts maintained with the Depository Participant, as indicated in the respective Application Form, our Company will apply for final trading and listing approvals from the Stock Exchanges.

Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, viz, the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company will be disclosed in the Placement Document.

The Escrow Bank shall release the monies lying to the credit of the Escrow Account to our Company upon receipt of notice from the Book Running Lead Manager and the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and after filing return of Allotment under Form PAS-3 with the RoC.

After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which the Application Amount was remitted, in the form and manner set out in the Refund Intimation. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue, within 60 days from the date of receipt of the Application Amount, our Company shall repay the Application Amount within 15 days from expiry of 60 days, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act, 2013.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Manager, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Manager in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Application Amount paid by the Bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder. For further details, see "*Bid Process*" – "*Refund*" on page 143.

Equity Shares in dematerialized form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Manager will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

Release of Funds to our Company

The Escrow Bank shall not release the monies lying to the credit of the "Shakti Pumps (India) Limited – QIP Escrow Account" account to our Company until receipt of notice from the Book Running Lead Manager, the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and filing of return of Allotment under Form PAS-3 with the RoC.

PLACEMENT

Placement Agreement

The BRLM have entered into the Placement Agreement dated March 18, 2024 with our Company, pursuant to which the BRLM have agreed, subject to certain conditions, to manage the Issue and to act as placement agents in connection with the proposed Issue and procure subscription to Equity Shares to be placed with the Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, to the extent applicable, as amended and other applicable provisions of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations, warranties and indemnities from our Company, and it is subject to satisfaction of certain conditions and subject to termination in accordance with the terms contained therein.

This Preliminary Placement Document and the Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares offered pursuant to the Issue, will be offered in India or overseas to the public or any members of the public or any other class of prospective investors, other than Eligible QIBs.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States. Accordingly, such Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 151 and 152, respectively.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

Relationship with the Book Running Lead Manager

From time to time, the BRLM, and its respective affiliates have been engaged in or may in the future engage in transactions with and perform services, including but not limited to investment banking, advisory for our Company, its Subsidiaries, its group companies, affiliates and the shareholders of our Company, as well as to their respective affiliates, pursuant to which fees and commissions have been paid or will be paid to the BRLM and their respective affiliates.

Lock-up

Under the Placement Agreement, our Company undertakes that it will not, for a period commencing the date thereof and ending 30 days from the date of allotment of equity shares pursuant to the Issue, without the prior written consent of the Book Running Lead Manager, do the following:

(i) issue, offer, lend, sell, pledge, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares);

(ii) enter into any swap or other agreement or any transaction that transfers, in whole or in part, any of the economic consequences associated with the ownership of any of the Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares), regardless of whether any of such transactions are to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise;

(iii) deposit Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares) with any depositary in connection with a depositary receipt facility or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares or such other securities in any depositary receipt facility; or

(iv) publicly announce any intention to enter into any transaction falling within (i) to (iii) above; provided that the foregoing restrictions do not apply to any sale, transfer or disposition of Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares) pursuant to (a) the

Issue; or (b) issue of Equity Shares or other securities pursuant to any scheme of amalgamation or arrangement or otherwise in connection with any merger or acquisition of securities, business, property or other assets or other strategic corporate transaction, subject to providing prior intimation to the Book Running Lead Manager.

Promoter's lock-up

Under the Placement Agreement, to encourage the Placement Agents to enter into the Placement Agreement and continue their efforts in connection with the Placement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, our Company hereby agrees, without the prior written consent of the Placement Agents (which such consent shall not be unreasonably withheld), the Promoters will not, during the period commencing on the date hereof and ending 120 days after the date of allotment of the Equity Shares pursuant to the Placement, directly or indirectly:

(i) offer, issue, pledge, sell, encumber, contract to sell or announce the intention to sell, lend, purchase any option or contract to sell, grant or sell any option, right, contract or warrant to purchase, lend, make any short sale or otherwise transfer or dispose of any lock-up shares, whether now owned or hereinafter acquired,

(ii) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of the lock-up shares, whether now owned or hereinafter acquired;

(a) whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of lock-up shares, in cash or otherwise; or

(b) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Shares in any depository receipt facility, or

(iii) publicly announce intention to enter into the transactions referred to in (i) to (ii) above.

SELLING RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of the Equity Shares.

The distribution of this Preliminary Placement Document or any offering material and the offering, sale or delivery of Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restriction. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

General

The Issue is being made only to Eligible QIBs. The distribution of this Preliminary Placement Document or any offering material and the offer and sale of the Equity Shares offered in the Issue is restricted by law in certain jurisdictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised. No action has been taken or will be taken that would permit the offer and sale of the Equity Shares offered in the Issue to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to the Issue in any jurisdiction where action for such purpose is required, except in India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions.

Each purchaser of the Equity Shares in this Issue will be deemed to have made the representations, warranties, acknowledgments and agreements as described in this section and under "*Notice to Investors*", "*Representations by Investors*" and "*Transfer Restrictions and Purchaser Representations*" on pages 3, 5 and 152, respectively.

Republic of India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Other Jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

TRANSFER RESTRICTIONS AND PURCHASER REPRESENTATIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares Allotted in the Issue, except on the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge, or transfer of our Equity Shares. In addition to the above, Allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "*Selling Restrictions*" on page 151.

Transfer Restrictions and Purchaser Representations

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States.

By accepting delivery of this Preliminary Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented and agreed as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.

- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the U.S. Securities Act.

- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S), and such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.

- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.

- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any "directed selling efforts" as defined in Regulation S.

- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be reoffered, resold, pledged or otherwise transferred except in an "offshore transaction" in compliance with Rule 903 or Rule 904 of Regulation S, as applicable and in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdiction.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or the BRLM for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) is seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares, (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.

- It has been provided access to this Preliminary Placement Document and will be provided access to the Placement Document which it has read in its entirety.

- It agrees to indemnify and hold the Company and the BRLM harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold any of the Company or the BRLM liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by the Company.

It acknowledges that the Company and the BRLM and its affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify the Company and the BRLM. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes the Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the respective websites of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the BRLM or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in India in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SCR (SECC) Regulations**"), which regulate *inter alia* the recognition, ownership and governance of stock exchanges and clearing corporations in India together with providing for minimum net-worth requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, byelaws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by listed companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013 the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations, as well as pursuant to the listing agreements entered into by our Company with the Stock Exchanges. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and byelaws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Delisting of equity shares from the stock exchanges, whether by way of a compulsory or a voluntary delisting, is governed by the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended (the "**Delisting Regulations**"). Following a compulsory delisting of equity shares, a company, its whole-time directors, its promoters, person(s) responsible for ensuring compliance with the securities laws and the companies promoted by any of them cannot directly or indirectly access the securities market or seek listing of any equity shares for a period of 10 years from the date of such delisting. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except exempted public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such the public shareholding having fallen below the 25% threshold. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

Disclosures under the Companies Act and securities regulations

Under the Companies Act, a public offering of securities in India must be made by means of a prospectus, which must contain information specified in the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI ICDR Regulations. The prospectus must be filed with the relevant registrar of companies having jurisdiction over the place where a company's registered office is situated. A company's directors and promoters shall be subject to civil and criminal liability for misrepresentation in a prospectus. The Companies Act also sets forth procedures for the acceptance of subscriptions and payment of commission rates for the sale of securities. Pursuant to the provisions of the SEBI Act, SEBI has issued detailed guidelines concerning disclosures by public companies and to further investor protection. The SEBI ICDR Regulations permit companies to price their domestic issues of securities in consultation with the lead merchant banker or through the book building process.

Public limited companies are required under the Companies Act, and other applicable guidelines to prepare, file with the RoC and circulate to their shareholders audited annual accounts which comply with the Companies Act's disclosure requirements and regulations governing their manner of presentation and which include sections pertaining to corporate governance, related party transactions and the management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations. Accordingly, companies are required to publish unaudited financial results (subject to a limited review by the company's auditors) on a quarterly basis and are required to inform stock exchanges immediately regarding any unpublished price sensitive information.

Insider Trading Regulations

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (the "**Insider Trading Regulations**") have been notified on January 15, 2015 and came into effect on May 15, 2015, by SEBI to amongst other things, prohibit and penalize insider trading in India and prohibit dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The Insider Trading Regulations also impose certain restrictions on the communication of UPSI relating to a company or securities listed or proposed to be listed. In terms of the Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. It also provides disclosure obligations for promoters, employees and directors, with regard to their shareholding in the company, and the changes therein. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the Insider Trading Regulations.

The Insider Trading Regulations define the term "unpublished price sensitive information" to mean any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of its securities and ordinarily includes but not restricted to information relating to the following: (a) financial results; (b) dividends; (c) change in capital structure; (d) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions; and (e) changes in key managerial personnel. Further, in terms of the Insider Trading Regulations, "generally available information" is defined as information that is accessible to the public on a non-discriminatory basis. An "insider" means any person who is i) a connected person; or ii) in possession of or having access to unpublished price sensitive information. The term "connected person" means any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holding any position, including a professional or business relationship between himself and the company, whether temporary or permanent, that allows such person, directly or indirectly, to have access to unpublished price sensitive information or is reasonably expected to allow such access.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities (including fiduciaries and intermediaries) that are required to handle UPSI in the course of business operations to establish (i) an internal code of practices and procedures for fair disclosure of UPSI; (ii) an internal code to regulate, monitor and report trading by designated persons and immediate relatives of designated persons; and (iii) a policy for procedures to be adopted by a company in case of any leak of UPSI. There are also initial and continuing shareholding disclosure obligations under the Insider Trading Regulations.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a coordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the NIFTY 50 of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down, for all scrips in the compulsory rolling settlement. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Trading Hours

Trading on both BSE and NSE normally occurs from Monday through Friday between 9:15 a.m. IST and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9.00 a.m. IST to 9.15 a.m. IST that has been introduced). BSE and NSE are closed on public holidays.

Internet-Based Securities Trading and Security Trading using Wireless Technology Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. This permits clients throughout the country to trade using brokers' internet trading systems. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

Trading Procedure

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE online trading facility in 1995. This 100% automated screen-based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform BOLT Plus. NSE has a fully automated trading system called NEAT, which operates on strict time/price priority besides enabling efficient trade.

Depositories

The Depositories Act, 1996 provides a legal framework for the establishment of depositories to record ownership details and effect transfers in electronic book-entry form. Further, SEBI has framed the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners.

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the specific regulations in relation to substantial acquisition of shares and takeover. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (the "**Takeover Regulations**") provide specific regulations in relation to substantial acquisition of shares and takeovers. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribes certain thresholds or trigger points in the shareholding that a person or entity (along with persons acting in concert with such person or entity) has in the listed Indian company, which give rise to certain obligations on the part of the acquirer. Acquisition of shares or voting rights up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions (direct or indirect, along with persons acting in concert with such acquirer) crossing particular thresholds may result in the acquirer having to make an open offer for the shares of the target company.

Buy-back

A company may buy-back its shares subject to compliance with the requirements of Section 68 of the Companies Act, 2013, as amended and the SEBI (Buy-back of Securities) Regulations 2018, as amended. Under Section 68 of the Companies Act, 2013, as amended, a company may buy-back its shares out of its free reserves or securities premium account or the proceeds of the issue of any shares or other specified securities, other than proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is the information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association and the Companies Act, 2013. The prospective investors are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share Capital

The authorised share capital of our Company is ₹400,000,000 comprising of 25,000,000 Equity Shares (of face value of ₹10 each) and 1,500,000 compulsorily convertible preference shares (of face value of ₹100 each). As on the date of this Preliminary Placement Document, the issued and subscribed capital of our Company is ₹185,603,560 and paid-up capital of our Company is ₹183,801,560. The Equity Shares are listed on BSE and NSE.

Dividends and Reserve

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of its shareholders at the annual general meeting of its shareholders. The shareholders have the right to decrease but not increase the dividend amount recommended by the board of directors. Dividends are generally declared as a percentage of par value (on per share basis) and distributed and paid to shareholders. The Companies Act, 2013 provides that shares of the same class of a company must receive equal dividend treatment. These distributions and payments are required to be paid to or claimed by shareholders within 30 days of the date of declaration of dividend.

According to the Articles of Association, the Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. In addition, subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty (30) days, to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid Dividend Account of Shakti Pumps (India) Limited".

Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under the Companies Act, 2013. Provided that any claimant of Shares so transferred shall be entitled to claim the transfer of Shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed.

Capitalisation of profits

In addition to permitting dividends to be paid as described above, the Companies Act, 2013 permits the board of directors of a company, subject to the approval of the shareholders of the company, to capitalise the profits or reserves of the company to *inter alia* distribute to the shareholders, in the form of fully paid-up bonus shares, an amount transferred from the company's free reserves, securities premium account or the capital redemption reserve account. These bonus equity shares must be distributed to the shareholders in proportion to the number of equity shares owned by them.

As per the Articles of Association, the Company in a general meeting may, upon the recommendation of the Board resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution and that such sum be accordingly set free for distribution amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. The sum aforesaid shall not be paid in cash but shall be applied, either in or towards (a) paying up any amounts for the time being unpaid on any shares held by such members respectively; (b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b); and (d) a securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares.

Alteration of share capital

Under the provisions of the Companies Act, 2013, a company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. The board of directors of a company is entitled to make private placement and preferential issue of equity shares, debentures, preference shares or any other instruments to such class of persons as the board of directors may deem fit.

According to Section 62(1)(a) of the Companies Act 2013, such new shares shall be offered to existing shareholders in proportion to the amount paid-up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer or as may be permitted by applicable law) within which the offer, if not accepted, will be deemed to have been declined. After such date, the board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the Shareholders. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person. Under the provisions of Section 62(1)(c) of the Companies Act, 2013, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our shareholders in a general meeting. Further, the Companies (Share Capital and Debentures) Rules, 2014 prescribe that price of shares to be issued on preferential basis by a listed company need not be determined by the valuation report of the registered valuer.

In accordance with the Articles of Association and the provisions of the Companies Act, 2013, the Company may issue the following kinds of shares: (a) Equity share capital: (i) with voting rights; and/or (ii) with differential rights as to dividend, voting or otherwise in accordance with the Companies Act, 2013; and (b) Preference share capital. Further, subject to the provisions of the Companies Act, 2013 and the Articles of Association, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par (subject to the compliance with the provision of the Companies Act, 2013) or at a discount and at such time as they may from time to time think fit and with sanction of the Company in the general meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board thinks fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. The Board may issue and allot shares of the Company as payment in full or in part, for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in the acquisition and/or in the conduct of its business; and any shares which may be so allotted may be issued as fully paid up shares and if so issued shall be deemed as fully paid up shares. Subject to the provisions of the Companies Act, 2013, the Company in its general meetings may, by an ordinary resolution, from time to time: (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum so however, that in the sub- division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived; or; (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this article shall not be deemed to be a reduction of share capital within the meaning of the Companies Act, 2013. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

General meetings

There are two types of general meetings of shareholders: (i) AGM; and (ii) EGM. A company must hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between the

AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. The board of directors of the company may convene an EGM when necessary or at the request of shareholders in accordance with the Companies Act, 2013. Written notice or notice via electronic mode means setting out the business to be transacted at the meeting must be given at least 21 days prior to the date set for the general meeting to the shareholders. Shorter notice is permitted if consent is received from 95% of the shareholders entitled to vote at such meeting. Such number of shareholders as required under the Companies Act, 2013 or applicable law personally present shall constitute quorum for a general meeting.

As per the provisions of the Companies Act, 2013 and the Articles of Association, all general meetings other than annual general meeting shall be called extraordinary general meeting. The Board may, whenever it thinks fit, call an extraordinary general meeting. If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. The quorum for a general meeting shall be as provided in section 103 of the Companies Act, 2013. The Chairman, if any, of the Board shall preside as Chairman at every general meeting of the Company.

Company may also pass resolutions by means of postal ballot and/or other ways as may be prescribed under Section 110 of the Companies Act, 2013 and/or other applicable provisions, if any, and any future amendments or re-enactments, in respect of any business that can be transacted by our Company in a general meeting, instead of transacting the business therein. Further, in the case of resolutions relating to such business as the Government of India may prescribe, to be conducted only by postal ballot and/or other ways as may be prescribed, Company shall get such resolutions passed only by postal ballot and /or other ways as may be prescribed, instead of transacting the business in a general meeting of the Company.

Voting rights

Subject to the provisions of the Companies Act, 2013 and our Articles of Association, votes may be given either personally or by proxy, and in the case of a body corporate, a duly authorized representative under Section 113 of the Companies Act, 2013 shall be entitled to exercise the same powers on behalf of the corporation as if it were an individual member of the company.

Subject to provisions of the Companies Act, 2013 and in accordance with the Articles of Association, subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands, every member present in personal shall have one vote and on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company. A member may exercise his vote at a meeting by electronic means in accordance with section 108 of the Companies Act, 2013 and shall vote only once. In the case of joint holders, Person whose name stands first on the Register in respect of such share shall alone be entitled to vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

Transfer and Transmission of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to securities transaction tax (levied on and collected by the stock exchanges on which such equity shares are sold), however, are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the Depositories. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. The registrar and transfer agent shall maintain a register in which every transfer or transmission of shares will be entered. In addition to complying with the Companies Act, 2013 and the other applicable laws, the Company is also required to comply with the provisions of the SEBI Listing Regulations for effecting the transfer of shares. In terms of the SEBI Listing Regulations, except in case of transmission or transposition of Equity Shares, requests for effecting transfer of shares shall not be processed unless the shares are held in dematerialized form with a depository and that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. The Equity Shares shall be freely transferable, subject to applicable laws.

Our Articles of Association provide that the Company shall maintain a ‘Register of Transfers’ and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share, debenture or other security held in a material form.

Winding up

As per the provisions of our Articles of Association, our Company may be wound up in accordance with the Companies Act, 2013 and the Insolvency and Bankruptcy Code, 2016, as amended (to the extent applicable).

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PGS & Associates

Chartered Accountants

301, Laxmi Krupa, 3rd Lokmanya Tilak Colony Road, Near Yogi Sabhagruh, Dadar (East), Mumbai 400014
Tele ✡ 24133171 ✡ 24182121 ✡E-mail: premal@pgsca.in

Date : March 18, 2024
To,
The Board of Directors
Shakti Pumps (India) Limited
Plot no. 401, 402 & 413
Sector III Industrial Area
Pithampur - Dist. Dhar 454774
Madhya Pradesh

Dear Sirs,
Sub: Statement of possible special tax benefits available to Shakti Pumps (India) Limited (the "**Company**"), its shareholders and the Material Subsidiaries (as defined herein below), under the direct and indirect tax laws, prepared in accordance with the requirements under Schedule VII (18) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (**'SEBI ICDR Regulations'**).

This report is issued in accordance with the engagement letter dated 27 January 2024

1. We, PGS & Associates, Chartered Accountants, the statutory auditors of the Company, hereby confirm that the 'Statement of Special Tax Benefits', enclosed herewith as Annexure A, prepared by the Company and initialled by us and the Company (the "**Statement**"), provides the special tax benefits (under direct and indirect tax laws) presently in force in India, including the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, the Customs Act, 1962, the Customs Tariff Act, 1975 and the Foreign Trade Policy 2015-2020 (which has been extended up to March 31, 2023), each as amended (collectively the "**Indian Taxation Laws**") pursuant to (i) the Income-tax Act, 1961, as amended and read with the rules, circulars and notifications issued in connection thereto; and (ii) applicable indirect taxation laws, as amended and read with the rules, circulars and notifications issued in connection thereto ("Taxation Laws"), as applicable to the assessment year 2024-25 relevant to the financial year 2023-24 and to the material subsidiary(ies) of the Company, namely Shakti Energy Solution Private Limited ("Material Subsidiaries") identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Several of these benefits are dependent on the Company, its shareholders and material subsidiaries as the case may be, fulfilling the conditions prescribed under the relevant provisions of the Indian Taxation Laws. Hence, the ability of the Company, its shareholders, and/or Material Subsidiaries to derive the possible special tax benefits is dependent upon their fulfilling such conditions, if any, which are based on business imperatives the Company, its shareholders, and/or the Material Subsidiaries face in the future. The Company, its shareholders and/or the Material Subsidiaries may or may not choose to fulfil such conditions for availing special tax benefits.

2. This statement of possible special tax benefits is required as per Schedule VII (18) of the SEBI ICDR Regulations. While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, its shareholders and the Material Subsidiaries, the same would include those benefits as enumerated in the Annexure A. Any benefits under the Indian Taxation Laws other than those specified in the Annexure A are considered to be general tax benefits available to the Company, its shareholders and Material Subsidiaries, and therefore not covered within the ambit of the Statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the Annexure A, have not been examined and covered by the Statement.

3. Our views are based on the existing provisions of law and their interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

4. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

PGS & ASSOCIATES
MUMBAI
Chartered Accountants

5. The benefits stated in the enclosed Statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Qualified Institutions Placement of equity shares of the Company (the "**Issue**") particularly in view of the fact that certain enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible tax benefits, which an investor can avail and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of the Statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency. Neither we are suggesting nor advising the investors to invest money based on the Statement.

Management responsibility:

The preparation of this Statement as mentioned in Annexure A as on the date of our report which is to be included in the relevant document(s) is the responsibility of the management of the Company for the purpose set out in paragraph 11 below. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's responsibility:

1. Our examination of the Statement has been carried out in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) as issued by the Institute of Chartered Accountants of India ("**ICAI**") and accordingly, we confirm that we have complied with ethical requirements stipulated within the Code of Ethics issued by the ICAI.
2. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements issued by the ICAI.
3. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Companies Act, 2013 and the SEBI ICDR Regulations in connection with the proposed Issue.
4. The contents of the Statement as mentioned in Annexure A are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. In respect of the Material Subsidiary, the benefits are based on the representation and explanations received from the auditors of the Material Subsidiary

5. We do not express any opinion or provide any assurance on whether:

- The Company, its shareholders and/or the Material Subsidiaries will continue to obtain these benefits in the future;
- The conditions prescribed for availing the benefits have been/would be met; and
- The revenue authorities/courts will concur with the views expressed herein.

Inherent Limitations:

6. Several of such possible special tax benefits forming part of the Statement are dependent on the Company and/or its shareholders fulfilling applicable conditions prescribed within the relevant statutory provisions and accordingly, the ability of the Company and/or its shareholders to derive such possible special tax benefits is entirely dependent upon the lawful fulfilment of such conditions by the Company and/or its shareholders, as applicable which based on business imperatives the Company faces in the future, the Company and/or its shareholders may or may not choose to fulfil.
7. While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in the Statement. The benefits discussed in the Statement cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to them. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this Statement.
8. The special tax benefits discussed within the Statement are not exhaustive and are intended to provide an illustrative understanding to prospective investors with respect to the special tax benefits available to the Company and/or its shareholders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each prospective investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.
9. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of the Taxation Laws and its interpretation, which are subject to change from time to time.

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Chartered Accountants

Opinion:

10. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available, to the Company and its shareholders, in accordance with the Taxation Laws as at the date of our report.

Considering the matters referred in paragraph above, we do not express any opinion or provide any assurance as to whether the: a) Company and/or its shareholders will continue to obtain such special tax benefits in the future; or b) conditions prescribed for availing such special tax benefits where applicable, have been/would be complied with.

Restriction on Use

11. This certificate is addressed to Board of Directors of the Company and Book Running Lead Manager to the Issue ("**BRLM**") and issued at specific request of the Company for submission to the BRLM to assist them in conducting their due-diligence and documenting their investigations of the affairs of the Company in connection with the proposed Issue. This certificate may be delivered to (i) SEBI or the stock exchanges or jurisdictional registrar of companies by the BRLM only when called upon by SEBI or the stock exchanges or jurisdictional registrar of companies in connection with any inspection, enquiry or investigation, as the case may be, to evidence BRLM due diligence obligations pertaining to subject matter of this certificate or for any defence that the BRLM may wish to advance in any claim or proceeding with SEBI or stock exchanges or jurisdictional registrar of companies in connection with due diligence obligations of the BRLM in the Issue pertaining to subject matter of this certificate; or (ii) any statutory or regulatory authority as required under any applicable law or any order issued thereof by such authority. It should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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Chartered Accountants
Firm Registration No. 122384W

PHGandhi

Premal Gandhi
Membership No. 111592
UDIN: 24111592BKBIJG8983
Place: Mumbai
Date: 18th March 2024

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FRN 0122384W
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Cc: Book Running Lead Manager

LIST OF DIRECT AND INDIRECT TAX LAWS

Sl No	Details of tax laws
1.	Income Tax Act, 1961
2.	GST Act, 2017

List of Material Subsidiaries considered as part of the Statement (Note 1)

1. Shakti Energy Solution Private Limited

Note 1: Material subsidiaries identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended includes a subsidiary whose income or net worth in the immediately preceding year (i.e. 31 March 2023) exceeds 10% of the consolidated income or consolidated net worth respectively, of the holding company and its subsidiaries in the immediate preceding year.

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Annexure A

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholder under the Income Tax Act 1961 (read with the rules, circulars and notifications issued in connection thereto), as amended by the Finance Act, 2023 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE "ACT")

1. Lower corporate tax rate on income of domestic companies – Section 115BAA of the Income-tax Act, 1961 ('the IT Act')

The Taxation Laws (Amendment) Act, 2019 introduced section 115BAA wherein domestic companies are entitled to avail a concessional tax rate of 22% (plus applicable surcharge and cess) on fulfillment of certain conditions. The option to apply this tax rate is available from Financial Year ('FY') 2019-20 relevant to Assessment Year ('AY') 2020-21 and the option once exercised through filing of Form 10IC on the Income tax portal shall apply to subsequent assessment years. The concessional tax rate of 22% is subject to the company not availing any of the following deductions under the provisions of the IT Act:

- Section10AA: Tax holiday available to units in a Special Economic Zone
- Section 32(1)(iia): Additional depreciation;
- Section 32AD: Investment allowance.
- Section 33AB/3ABA: Tea coffee rubber development expenses/site restoration expenses
- Section 35(1)/35(2AA)/ 35(2AB): Expenditure on scientific research.
- Section 35AD: Deduction for capital expenditure incurred on specified businesses.
- Section 35CCC/35CCD: expenditure on agricultural extension /skill development
- Chapter VI-A except for the provisions of section 80JJAA and section 80M.

The total income of a company availing the concessional rate of 25.168% (i.e., 22% along with surcharge of 10% and health and education cess of 4%) is required to be computed without set-off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/incentives. A company can exercise the option to apply for the concessional tax rate in its return of income filed under section 139(1) of the IT Act. Further, provisions of Minimum Alternate Tax ('MAT') under section 115JB of the IT Act shall not be applicable to companies availing this reduced tax rate, thus, any carried forward MAT credit also cannot be claimed.

The provisions do not specify any limitation/condition on account of turnover, nature of business or date of incorporation for opting for the concessional tax rate. Accordingly, all existing as well as new domestic companies are eligible to avail this concessional rate of tax.

Note: The Company has opted the lower rate under section 115BAA of the IT Act in the FY 2021-22 relevant to the AY 2022-23 as mentioned in the Section 115BAA for which declaration (Form 10IC) having Acknowledgement Number 763494080311022 dated 31.10.2022 has already been filed with the tax authorities.

2. Deductions in respect of employment of new employees – Section 80JJAA of the IT Act

As per section 80JJAA of the IT Act, where a company is subject to tax audit under section 44AB of the IT Act and derives income from business, it shall be allowed to claim a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in a previous year, for 3 consecutive assessment years including the assessment year relevant to the previous year in which such additional employment cost is incurred.

The eligibility to claim the deduction is subject to fulfillment of prescribed conditions specified in sub-section (2) of section 80JJAA of the IT Act.

The company is presently not claiming deduction under section 80JJAA of the IT Act. However, this deduction could be claimed in the future subject to fulfillment of the conditions discussed above.

3. Deduction with respect to inter-corporate dividends – Section 80M of the IT Act

As per the provisions of section 80M of the IT Act, inserted with effect from 01 April 2020, a domestic company shall be allowed to claim a deduction of dividend income earned from any other domestic company or a foreign company or a business trust. The amount of deduction so claimed should not exceed the amount of dividend distributed by it on or before the due date. In this case, due date means one month prior to the due date of furnishing return of income under sub section (1) of section 139 of the IT Act.

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The company has a wholly owned subsidiary viz. Shakti Pumps U.S.A, LLC and Shakti Pumps FZE, UAE and thus, the company should be eligible to claim deduction u/s 80M of the IT Act in respect of dividends received (if any) from its subsidiary and further distributed to its shareholders subject to fulfillment of other conditions.

4. Deductions in respect of specified expenditure

In accordance with and subject to the fulfillment of conditions as laid out under section 35D of the IT Act, the company may be entitled to amortize preliminary expenditure, being specified expenditure incurred in connection with the issue for public subscription or such other expenditure as prescribed under section 35D of the IT Act, subject to the limit specified therein (viz maximum 5% of the cost of the project or 5% of the capital employed in the business of the company).

The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive previous years beginning with the previous year in which the business commences or as the case may be, the previous year in which the extension of the undertaking is completed, or the new unit commences production or operation.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE "ACT")

- Long term capital gains on transfer on shares on which Securities Transactions Tax has been paid will be subject to tax in the hands of shareholders as per the provisions of Section 112A of the Act at 10% (plus applicable surcharge and cess).
- Short term capital gains arising on transfer of shares on which Securities Transactions Tax has been paid will be subject to tax in the hands of shareholders as per the provisions of Section 111A of the Act at 15% (plus applicable surcharge and cess).
- Non-resident shareholders including foreign portfolio investors may choose to be governed by the provisions of Double Taxation Avoidance Agreement, to the extent they are more beneficial.

Notes:

- These tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfill.
- This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them.
- The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only. The benefits listed above may not be exhaustive or comprehensive and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- This statement is intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. The list of benefits contains certain recently enacted legislation that may not have a direct legal precedent or may have different interpretation on the benefits. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

C. SPECIAL INDIRECT TAX BENEFITS TO THE COMPANY AND ITS SHAREHOLDERS:

Outlined below are the possible tax benefits available to the Company and its shareholders under the indirect tax laws in force in India. This Statement is as per the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2023 including the relevant rules, notifications and circulars issued there under, applicable for the Financial Year 2023-24 and Foreign Trade Policy, 2023, presently in force in India. Special tax benefits available to the Company

- The Company has 22 active GSTIN operating in the various states of the country.
- We understand that the Company has earnings in foreign exchange. For cross border transactions that entail inward remittance of foreign currency, there are specific benefits which have been provided under Indirect tax laws/regulations subject to fulfillment of prescribed conditions.
- The Company has availed certain benefits on import of goods, which are used for manufacture of exported goods, subject to fulfillment of conditions laid down under the Foreign Trade Policy, 2023 and Customs Law.

D. SPECIAL INDIRECT TAX BENEFITS TO THE SHAREHOLDERS OF THE COMPANY:

- The shareholders of the Company are not required to discharge any GST on transaction in securities of the Company. Securities are excluded from the definition of Goods as defined u/s 2(52) of the Central Goods and Services Tax Act, 2017 as well from the definition of Services as defined u/s 2(102) of the Central Goods and Services Tax Act, 2017.
- Apart from above, the shareholders of the Company are not eligible to special tax benefits under the provisions of the Customs Tariff Act, 1975 and / or Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective Union Territory Goods and Services Tax Act, 2017 respective State Goods and Services Tax Act, 2017, including the relevant rules, notifications and circulars issued there under.

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Notes:

- This Statement covers only certain relevant indirect tax law benefits and does not cover any other benefit under any other law.
- These tax benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the Indian indirect tax regulation. Hence, the ability of the Company to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfill.
- The tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
- The Statement is prepared on the basis of information available with the management of the Company and there is no assurance that:

  i. the Company or its shareholders will continue to obtain these benefits in future;

  ii. the conditions prescribed for availing the benefits have been/ would be met with; and

  iii. the revenue authorities/courts will concur with the view expressed herein.
- The above views are based on the existing provisions of laws and its interpretation, which are subject to change from time to time.

E: Duty Drawback (DBK) Scheme: Duty drawback is a refund in payments that were initially collected upon importation of foreign-made goods; these payments could have been for customs duties, sales taxes,.
Drawback in relation to any goods manufactured in India and exported is refunded on account of incidence of Customs Duty paid while import of Inputs, chargeable on any imported materials or excisable materials used in the manufacture of such goods.
Under the duty drawback scheme, incidence of customs duty paid on inputs is refunded to the exporter on finished product by way of duty drawback. Section 75 of Customs Act, 1962 provide for drawback on inputs used in manufacturing for export product.
It may be noted that duty drawback under section 75 of the Customs Act, 1962 is granted when imported materials are used in the manufacture of goods which are then exported, while duty drawback under section 74 is applicable when imported goods are re-exported as it is, and article is easily identifiable. The duty drawback rates are notified by the Central Board and Customs through Duty Drawback Schedule.
F: Remission of Duties and Taxes on Exported Products (RoDTEP) - notified by Department of Commerce and administered by Department of Revenue :
RoDTEP scheme is based on the globally accepted principle that taxes and duties should not be exported, and taxes and levies borne on the exported products should be either exempted or remitted to exporters. The scheme rebates various Central, State and local duties/taxes/levies which are not refunded under other duty remission schemes.

The Remission of Duties & Taxes on Exported Product (RoDTEP) scheme aims to refund such duties and taxes on exported products, as are otherwise not being refunded under other provisions of law. The rebate under the Scheme shall not be available in respect of duties and taxes already exempted or remitted or credited.
The RoDTEP is issued in the form of a transferable duty credit/electronic scrip (e-scrip), which is maintained in an electronic ledger by the CBIC. Such duty credit shall be used only to pay basic customs duty on imported goods. The duty credit scrips are freely transferable, i.e. credits can be transferred to other importers. The rebate under the scheme shall not be available in respect of duties and taxes already exempted or remitted or credited.
Rebate would be granted to eligible exporters at a notified rate as a 1 % of FOB value on the eligible exported product,. We do not assume responsibility to update the views consequent to such changes.

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LEGAL PROCEEDINGS

*Except as disclosed in this section, as on date of this Preliminary Placement Document, there are no outstanding legal proceedings which have been considered as "material", in accordance with our Company's policy for determining materiality of events or information for disclosures in accordance with Regulation 30 of the SEBI Listing Regulations (the "**Materiality Policy**").*

Additionally, solely for the purpose of the Issue, the following outstanding legal proceedings have been disclosed in this section involving our Company, its Directors, its Subsidiaries and our Promoters (as applicable):

- *outstanding criminal proceedings against our Company, our Subsidiaries, our Directors and our Promoters;*
- *outstanding actions by statutory or regulatory authorities against our Company and our Subsidiaries, our Directors and Promoters.*
- *outstanding civil proceedings involving our Company and our Subsidiaries, where the amount involved in such proceeding exceeds ₹10.00 million (**"Materiality Threshold"**);*
- *outstanding direct and indirect tax matters involving our Company and our Subsidiaries exceeding the Materiality Threshold (disclosed in a consolidated manner);*
- *any other outstanding litigation involving our Company and our Subsidiaries, wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could, individually or in the aggregate, materially and adversely affect the reputation, operations or financial position of our Company on a consolidated basis, and*
- *other outstanding litigation involving our Promoters and our Directors wherein an adverse outcome could materially and adversely affect the reputation, operations or financial position of our Company, on a consolidated basis.*

The Materiality Threshold was determined basis the Materiality Policy, adopted by the Board, pursuant to its resolution passed on November 6, 2015.

Further, except as disclosed in this section, there are no:

- *inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 in the last three years preceding the year of this Preliminary Placement Document, involving our Company and its Subsidiaries, and any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document, involving our Company and our Subsidiaries;*
- *material frauds committed against our Company and our Subsidiaries in the last three years, and if so, the action taken by our Company and our Subsidiaries;*
- *significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company on a consolidated basis;*
- *defaults by our Company and our Subsidiaries, including therein the amount involved, duration of default and present status, in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon;*
- *defaults in annual filings of our Company under the Companies Act, 2013; and*
- *litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoter of our Company during the last three years immediately preceding the year of this Preliminary Placement Document, and no/following direction have been issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any.*

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Subsidiaries, our Directors and our Promoters, from third parties (excluding statutory/ regulatory/ governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of our Company, our Subsidiaries, our Directors and our Promoters, are impleaded as parties in any *such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced. Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.*

Litigation involving our Company

Litigation against our Company

Criminal proceedings

Nil

Actions taken by regulatory and statutory authorities

1. The SEBI conducted an investigation pursuant to, amongst others, clause 6 and 10 as in Schedule B read with Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("**PIT Regulations**") for transactions conducted during the period from March 27, 2018 to October 17, 2018. The investigation found our Company and certain employees of our Company (collectively, the "**Noticees**"), for non-compliance of certain provisions of the PIT Regulations, including in relation to pre-clearance requirements prescribed under the PIT Regulations. By way of an order dated December 1, 2022 ("**Adjudication Order**"), the Adjudication Officer, SEBI, imposed monetary penalty against the Noticees, including a penalty of ₹0.20 million on our Company. Our Company has filed an appeal against the Adjudication Order before the Securities Appellate Tribunal. The matter is currently pending.

2. The SEBI conducted an investigation into the trading irregularities in the scrip of our Company from February 1, 2010, to July 30, 2010, and served a show cause notice dated September 19, 2017 ("**SCN**") alleging that one of our shareholders, Subhkam Ventures (I) Private Limited had sold 2,75,000 shares (4.42% of the total share capital) of our Company, which we failed to disclose to the BSE within two working days from the date of receipt of information, as required under the Regulation 13(6) of the SEBI Insider Trading Regulations. Our Company submitted a response to the SCN and appeared before the adjudicating officer ("**AO**"). The AO rejected our contentions and imposed a penalty of ₹0.10 million on our Company.

3. A notice dated May 23, 2022 ("**Notice-cum-Order**") alleging non-compliances under the Legal Metrology Act, 2009 and the Legal Metrology (Packaged Commodities) Rules, 2011, was issued by the Inspector of Legal Metrology, Dhar, Madhya Pradesh ("**LM Inspector**") to our Company. Subsequently, by way of our reply dated June 16, 2022, our Company had submitted the requisite documents to the LM Inspector and denied the allegations made in the Notice, and requested the LM Inspector to dismiss the proceedings. Further, our Company has filed an appeal ("**Appeal**") against the Notice-cum-Order of the LM Inspector before the Controller of Legal Metrology, Bhopal, Madhya Pradesh, pursuant to which we have appeared in the hearings held in respect of the Appeal. The matter is currently pending.

4. Pursuant to an inspection of our Company's Registered Office on January 9, 2024, by Office of the Labour Department, Pithampur, Madhya Pradesh ("**Labour Department**"), the Labour Department had asked our Company to submit Form 3, annual return to be submitted under the Minimum Wages Act, 1948. By way of a reply dated January 17, 2024, our Company has submitted the requisite Form 3 to the Labour Department.

Civil proceedings above the Materiality Threshold

Nil

Litigation by our Company

Criminal proceedings

1. An FIR dated January 13, 2019, has been filed by our Company under sections 147, 442, 447 and 448 of the Indian Penal Code, 1860, against 72 contract labours ("**Accused**"), with the police station at Pithampur, Madhya Pradesh, for the offences of, inter alia, criminal trespass with the intention of causing harm to the property and machinery at our Company's Registered and Corporate Office. The concerned police station in charge had filed the final report dated February 5, 2019, with the Judicial Magistrate First Class, Dhar ("**Magistrate**"), and the Magistrate had, by way of an order dated September 23, 2022, declared three of the Accused as absconding, and thereby issued an arrest warrant against them. The matter is currently pending.

2. Our Company has filed a complaint against M/S Riddhi Enterprises through its owner/sole proprietor Ms./Mrs. Naina Shah ("**Accused**") under sections 138 of the NIA, before the Court of Judicial Magistrate, First Class,

Indore alleging dishonor of cheque amounting to ₹ 5,17,580.06 issued by the Accused to our Company. The matter is currently pending.

3. Our Company has filed a complaint against Agrawal Krishi Seva Sadan through its owner/sole proprietor Mr. Om Prakash Gupta ("**Accused**") under sections 138 and 141of the NIA, before the Court of Judicial Magistrate, First Class, Indore, alleging dishonor of cheque amounting to ₹61,503 issued by the Accused to our Company. The matter is currently pending.

4. Our Company has filed a complaint against Oberoi Electric Company (Partnership firm), Mr. Bhushan Oberoi, Partner, and Mr. Kamal Oberoi, Partner ("**Accused**") under sections 138 and 141 of the NIA, before the Court of Judicial Magistrate, First Class, Indore, alleging dishonor of cheque amounting to ₹200000 issued by the Accused to our Company. The matter is currently pending.

5. Our Company has filed a complaint against Oberoi Electric Company (Partnership firm), Mr. Bhushan Oberoi, Partner, and Mr. Kamal Oberoi, Partner ("**Accused**") under sections 138 and 141 of the NIA, before the Court of Judicial Magistrate, First Class, Indore, alleging dishonor of cheque amounting to ₹1,50,000 issued by the Accused to our Company. The matter is currently pending.

6. Our Company has filed a complaint against Oberoi Electric Company (Partnership firm), Mr. Bhushan Oberoi, Partner, and Mr. Kamal Oberoi, Partner ("**Accused**") under sections 138 and 141 of the NIA, before the Court of Judicial Magistrate, First Class, Indore, alleging dishonor of cheque amounting to ₹ 1,50,000 issued by the Accused to our Company. The matter is currently pending.

7. Our Company has filed a complaint against Pragat Akshay Urja Limited and Mr. Rakesh Prakash Jain, Director ("**Accused**") under sections 138 of the NIA and section 420 of the IPC, before the Court of Judicial Magistrate, First Class, Indore, alleging dishonor of cheque amounting to ₹15,26,164 issued by the Accused to our Company. The matter is currently pending.

8. Our Company has filed a complaint against Aditya Solar Energy Systems through Mr. G Harikrishnan ("**Accused**") under sections 138 and 141 of the NIA, before the Court of Judicial Magistrate, First Class, Indore, alleging dishonor of cheque amounting to ₹13,36,141 issued by the Accused to our Company. The matter is currently pending.

9. Our Company has filed a complaint against Techno Traders through Mr. Tarkeshwar Rao (owner) ("**Accused**") under sections 138 of the NIA, before the Court of Judicial Magistrate, First Class, Indore, alleging dishonor of cheque amounting to ₹2,58,859 issued by the Accused to our Company. The matter is currently pending.

10. Our Company has filed a complaint against Vaiyu Enterprises through owner/sole proprietor Mr. B. Vankat Irichaiah ("**Accused**") under sections 138 of the NIA, before the Court of Judicial Magistrate, First Class, Indore, alleging dishonor of cheque amounting to ₹1,86,597 issued by the Accused to our Company. The matter is currently pending.

11. Our Company has filed a complaint against Kanakdurga Electrics through owner/sole proprietor Mr. B. Sitaram Reddy ("**Accused**") under sections 138 of the NIA, before the Court of Judicial Magistrate, First Class, Indore, alleging dishonor of cheque amounting to ₹4,97,435 issued by the Accused to our Company. The matter is currently pending.

12. Our Company has filed a complaint against Teja Electric and Hardware through owner/sole proprietor Mr. G. Vankat Reddy ("**Accused**") under sections 138 of the NIA, before the Court of Judicial Magistrate, First Class, Indore, alleging dishonor of cheque amounting to ₹2,48,833 issued by the Accused to our Company. The matter is currently pending.

13. Our Company has filed a complaint against Jeet Hardware through its owner/sole proprietor Mr. Arvind Singh ("**Accused**") under sections 138 of the NIA, before the Court of Judicial Magistrate, First Class, Indore, alleging dishonor of cheque amounting to ₹2,81,210 issued by the Accused to our Company. The matter is currently pending.

14. Our Company has filed a complaint against Maa Durga Electricals through its owner/sole proprietor Mr. Indrapal Davepita Ramkha ("**Accused**") under sections 138 of the NIA, before the Court of Judicial Magistrate, First

Class, Indore, alleging dishonor of cheque amounting to ₹20000 issued by the Accused to our Company. The matter is currently pending.

15. Our Company has filed a complaint against Marwar Krishi Kendra through its sole proprietor Mr. Mahesh Rajpurohit ("**Accused**") under sections 138 of the NIA, before the Court of Judicial Magistrate, First Class, Raipur, alleging dishonor of cheque amounting to ₹14,08,778 issued by the Accused to our Company. The matter is currently pending.

16. Our Company has filed a complaint against M. K. Electricals through its owner/sole proprietor Mr./Ms./Mrs. Surla Sathi Babu ("**Accused**") under sections 138 of the NIA, before the Court of Judicial Magistrate, First Class, Dhar, alleging dishonor of cheque amounting to ₹3,37,688 issued by the Accused to our Company. The matter is currently pending.

17. Our Company has filed a complaint against Iridescence Online Business Private Limited, Me Mitesh Sharma, Director and Mr. Sudipan Poddar, Director ("**Accused**") under sections 138 of the NIA, before the Court of Judicial Magistrate, First Class, Indore, alleging dishonor of cheque amounting to ₹12,66,869 issued by the Accused to our Company. The matter is currently pending.

18. Our Company has filed a complaint against L. M. Gupta Trading Company through its owner/sole proprietor Mr. Rakesh Kumar Gupta ("**Accused**") under sections 138 of the NIA, before the Court of Judicial Magistrate, First Class, Indore, alleging dishonor of cheque amounting to ₹30,00,000 issued by the Accused to our Company. The matter is currently pending.

19. Our Company has filed a complaint against Alpha Agri Tech Promoters through its owner/sole proprietor Mr. P. Anbagyagan ("**Accused**") under sections 138 of the NIA, before the Court of Judicial Magistrate, First Class, Indore, alleging dishonor of cheque amounting to ₹7,66,490 issued by the Accused to our Company. The matter is currently pending.

20. Our Company has filed a complaint against Mr. Dharmendra Dangi ("**Accused**") under sections 138 of the NIA, before the Court of Judicial Magistrate, First Class, Indore, alleging dishonor of cheque amounting to ₹1,59,500 issued by the Accused to our Company. The matter is currently pending.

21. Our Company has filed a complaint against D.S. Loti & Sons its Proprietor Surender Singh ("**Accused**") under sections 138 of the NIA, before the Court of Judicial Magistrate, First Class, Dhar, alleging dishonor of cheque amounting to ₹1,26,945 issued by the Accused to our Company. The matter is currently pending.

Civil proceedings above the Materiality Threshold

1. Our Company ("**Petitioner**") has filed a writ petition dated May 1, 2014, under Article 226 of the Constitution of India against the State of Madhya Pradesh, the Indore Municipal Corporation ("**Corporation**") and M/s. Shouyaditya Advertise, a proprietorship firm ("**Firm**"), contesting the demand notice of ₹1,78,950 dated January 23, 2014, served by the Firm on our Company under Section 189-A of the Municipal Corporation Act, 1956. The writ petition also contests the validity of resolution no. 167 dated August 24, 2011, passed by the Corporation, giving powers to the Firm to collect advertisement tax from our Company. The matter is currently pending.

2. Our Company ("**Complainant**") has filed a complaint before the Madhya Pradesh State Consumer Redressal Commission, Bhopal, against United India Insurance Company Limited ("**Respondent**") seeking settlement of claims amounting to Rs. 1,21,54,771 (along with interest) under the Special Contingency Policy issued by the Respondent for the period from September 29, 2018 to September 28, 2018. The matter is currently pending.

3. Our Company had entered into an agreement dated July 6, 2018 ("**Tender Agreement**") with Dakshin Gujarat Vij Company Limited ("**DGVCL**") pursuant to selection of our Company's bid by DGVCL, *inter alia*, for design and supply of solar PV systems to agriculture consumers. In accordance with the terms of the Tender Agreement, our Company had submitted performance-based bank guarantees ("**Bank Guarantees**") to DGVCL. Alleging failure by our Company to discharge its obligations under the Tender Agreement, DGVCL, by its letter dated January 24, 2023, levied a penalty of Rs. 1,44,23,590 ("**Penalty**") and invoked the Bank Guarantees on September 27, 2023. Our Company has thus, filed a petition before the High Court of Gujarat at Ahmedabad against DGVCL and another seeking a writ of mandamus directing DGVCL to withdraw the Penalty and return Rs. 214,243, Rs. 254,104, Rs. 287,250 and Rs. 374,712, being the amount encashed by DGVCL as Bank Guarantees. Further, our

Company has issued a notice dated November 6, 2023 to DGVCL for commencement of arbitration proceedings in the aforesaid matter. The matter is currently pending.

Litigation involving our Subsidiaries

Litigation against our Subsidiaries

Criminal proceedings

Nil

Actions taken by regulatory and statutory authorities

1. Pursuant to an inspection of SESPL's premises situated at Plot No. 155 & 156, Industrial Growth Center, Sector – 3, Pithampur, Madhya Pradesh – 454775 on January 31, 2024, by Office of the Labour Department, Pithampur, Madhya Pradesh ("**Labour Department**"), the Labour Department had asked SESPL to submit Form 25, annual return to be submitted by the principal employer under the Contract Labour (Regulation & Abolition) Central Rules, 1971. By way of a reply dated February 19, 2024, SESPL has submitted the requisite Form 25 to the Labour Department.

Civil proceedings above the Materiality Threshold

Nil

Litigation by our Subsidiaries

Criminal proceedings

Nil

Civil proceedings above the Materiality Threshold

Nil

Tax Proceedings involving our Company

Particulars	No. of proceedings	Amount involved (in Rs. million)
Direct tax	2	79.85
Indirect tax	6	142.94

Material Tax Proceedings

1. The Assistant Commissioner of Income Tax, Indore passed an order dated August 3, 2021 (of Assessment Year 2017-18) ("**Impugned Order**"), against our Company ("**Assessee**"), adjudging our Income Tax Return to be undervalued based on (i) the order of the Additional Commission of Income Tax, Transfer Pricing dated January 29, 2021, under section 92CA(3) of the Income Tax Act, 1961 ("**Act**") against our Company for undervaluing the Arm's Length Price, (ii) the disallowance of exemption under section 10AA of the Act due to failure of our Company to demonstrate changes in circumstances from the previous filing in which the said exemption under section 10AA of the Act was rejected; and (iii) the disallowance of benefit under section 36(1)(VA) of the Act due to the delayed payment of employee's contribution towards the Provident Fund and Employee State Insurance Corporation, by our Company. Pursuant to the order, the net taxable liability of our Company increased by Rs 1,24,70,170, and a notice under Section 270 of the Act was also issued to us for underreporting the income. An appeal has been filed by our Company before the learned Commissioner of Income Tax, and the matter is currently pending.

2. The Assessment Unit of the Income Tax Department passed an assessment order dated December 12, 2022 (of Assessment Year 2021-22) ("**Impugned order**") against our Company ("**Assessee**"), disallowing the expenditure incurred by our Company in fulfilling its Corporate Social Responsibility obligation as a deduction under Section 80G of the Income Tax Act, 1961 ("**Act**"). Pursuant to the said order, the net taxable liability of our Company increased by Rs. 54,61,646, , and a notice under Section 270 of the Act was also issued to us for underreporting the income. An appeal dated has been filed by our Company before the learned Income Tax Appellate Tribunal, Indore and the matter is currently pending.

3. The office of Commissioner CGST & Central Excise, Indore ("**Commissioner**") passed an order dated October 5, 2021 (of Financial Year 2017-18, Financial Year 2018-19 and Financial Year 2019-20) ("**Impugned Order**") against our Company ("**Assessee**") on the ground that we have imported raw materials for the export of goods under advanced authorization without paying customs duty and wrongfully claimed the IGST refund on the export of goods. Earlier, a show cause notice dated June 29, 2021, was served upon us by the Directorate General of GST Intelligence ("**DGGI**"), to which our Company submitted its response and gave necessary clarifications in the personal hearing proceedings. Subsequently, the Commissioner passed the impugned order directing the appropriate authority to recover (i) the IGST refund amount of Rs 2,80,85,628, (ii) the interest of eighteen present on Rs 2,80,85,628, and (iii) penalty of Rs 28,08,563 from our Company.

4. The Directorate of Revenue Intelligence, Lucknow, served a Show Cause Notice dated November 20, 2019 ("**SCN**") to our Company and our Chairman and Whole-Time Director, Dinesh Patidar, alleging that our Company has wrongfully evaded the payment of Customs duty of Rs 5,23,36,880. The SCN stated that our Company imported Solar Pumps parts ("**Raw Material**") under advanced authorization on the pretext that the finished product would be used exclusively for export, and thereby took exemption from the payment of customs duty. It, however, alleged that our Company (i) failed to export the finished products (ii) diverted the supply of the finished products towards the domestic market, and (iii) failed to inform the Customs authority or Director General of Foreign Trade about such diversion. The SCN, inter-alia, called upon our Company to show cause as to why (i) the Custom duty along with the interest not be recovered from us (ii) the Raw material so imported not be confiscated (iii) deposits (of Custom duty) of our Company not be appropriated towards the realization of such duty and interest, and (iv) penalty under section 112 (a) & 112 (b) of the Customs Act, 1962 not be levied upon us. Against the said SCN, our Company has filed an appeal before the learned Customs, Excise and Service Tax Appellate Tribunal, Delhi ("**CESTAT**"), and the matter is currently pending.

5. The Directorate of Revenue Intelligence, Lucknow, has issued a Show Cause Notice dated October 14, 2019 ("**SCN**") to our Company and our Chairman and Whole-Time Director, Dinesh Patidar, on the ground that our Company has inaccurately classified its imported Solar Pump Drives ("**Imported Goods**"), which resulted in the wrongful availing of reduced customs duties. The SCN called upon our Company to explain why (i) the differential customs duty of Rs 1,40,42,598 not be recovered from us, and the already paid customs duty of Rs 1,6,01,115 not be appropriated against it (ii)interest on differential customs duty not be recovered from us, and (iii) penalty under section 114A of the Customs Act, 1962 not be levied upon us. Against the said SCN, our Company has filed an appeal before the learned Customs, Excise and Service Tax Appellate Tribunal, Mumbai ("**CESTAT**"), and the matter is currently pending.

Other outstanding litigation involving our Company and our Subsidiaries, wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could, individually or in the aggregate, materially and adversely affect the reputation, operations or financial position of our Company on a consolidated basis

Nil

Litigation involving our Directors

Criminal proceedings against our Directors

Nil

Criminal proceedings by our Directors

Nil

Civil proceedings above the Materiality Threshold

Nil

Actions taken by regulatory and statutory authorities

Except as disclosed under "-Material Tax Proceedings - 4, 5" on page 174, there are no actions taken by regulatory and statutory authorities on our Directors.

Litigation involving our Promoters

Criminal proceedings against our Promoters

Nil

Criminal proceedings by our Promoters

Except as disclosed under "-Material Tax Proceedings - 4, 5" on page 174, there are no actions taken by regulatory and statutory authorities on our Promoters.

Civil proceedings above the Materiality Threshold

Nil

Actions taken by regulatory and statutory authorities

Nil

Other outstanding litigation involving our Promoters and our Directors wherein an adverse outcome could materially and adversely affect the reputation, operations or financial position of our Company, on a consolidated basis

Nil

Inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 in the last three years preceding the year of this Preliminary Placement Document, involving our Company and its Subsidiaries, and any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document, involving our Company and its Subsidiaries

Nil

Material frauds committed against our Company in the last three years, and if so, the action taken by our Company

Nil

Significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations

Nil

Default by our Company, including therein the amount involved, duration of default and present status, in repayment of statutory dues, debentures and interest thereon, deposits and interest thereon and loan from any bank or financial institution and interest thereon.

Repayment of statutory dues

Except as disclosed under "- *Tax Proceedings involving our Company*" and "- *Material Tax Proceedings*" on page 174, there have been no defaults in the repayment of statutory dues by our Company.

Repayment of debentures and interest thereon

Nil

Repayment of deposits and interests thereon

Nil

Repayment of loan from any bank or financial institution and interest thereon

Nil

Default in annual filings of our Company under the Companies Act, 2013

Nil

Litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoter of our Company during the last three years immediately preceding the year of this Preliminary Placement Document, and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any.

Nil

STATUTORY AUDITORS

In term of the provisions of Section 139 of the Companies Act, 2013, PGS Associates, Chartered Accountants, were appointed as our Company's Statutory Auditors pursuant to a resolution passed by our Shareholders at the AGM held on September 29, 2021 for a period of three years, i.e., from the conclusion of the 26^{th} AGM held on September 29, 2021 till the conclusion of the 29^{th} AGM.

Our Statutory Auditors have audited the Audited Consolidated Financial Statements which are included in this Preliminary Placement Document in "*Financial Information*" on page 179.

The Unaudited Consolidated Financial Results have been subjected to limited review by our Statutory Auditors and are included in this Preliminary Placement Document in "*Financial Information*" on page 179.

The peer review certificate of our Statutory Auditors is valid as of the date of this Preliminary Placement Document.

FINANCIAL INFORMATION

Particulars
Unaudited Consolidated Financial Results for the nine months period ended December 31, 2023 (including comparatives for the nine months period ended December 31, 2022)
Fiscal 2023 Audited Consolidated Financial Statements
Fiscal 2022 Audited Consolidated Financial Statements
Fiscal 2021 Audited Consolidated Financial Statements

PUMPING LIFE

Date: - 25/01/2024

To,	To,
The Secretary,	The Secretary,
Listing Department	Corporate Relationship Department
National Stock Exchange of India Ltd.	BSE Limited
Exchange plaza, BKC, Bandra (E)	P. J. Towers, Dalal Street
Mumbai - MH 400051.	Mumbai- MH 400001.

REF: -(ISIN- INE908D01010) SCRIP CODE BSE-531431, NSE Symbol -SHAKTIPUMP

Subject: - Outcome of the Board Meeting held on Thursday, 25th January, 2024.

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to inform you that the Board of Directors of Shakti Pumps (India) Limited at its Meeting held today i.e. Thursday, 25th January, 2024 through video conferencing have inter-alia transacted the following business:-

- Considered and approved the Un-audited Consolidated and Standalone Financial Results of the Company for the quarter and nine months ended 31st December, 2023 along with Limited Review Report.

The Board Meeting commenced at 03:00 P.M. and concluded at 03:55 P.M.

You are requested to please take on record our above said information for your reference.

Thanking you,

Yours faithfully
For Shakti Pumps (India) Limited

Ravi Patidar
Company Secretary

SHAKTI PUMPS (INDIA) LTD.

Enclosure: *financial results and Limited Review Report.*

PGS & Associates

Chartered Accountants

103, Vatsalya Building, 3rd Lane, Hindu Colony, L N Road, Dadar (East), Mumbai- 400014

• Telephone No: 86577 41103 / 87790 57086 • Email ID: info@pgsca.in

Independent Auditor' Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,
The Board of Directors,
SHAKTI PUMPS (INDIA) LIMITED

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Shakti Pumps (India) Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended December 31,2023 and for the period April 1, 2023 to December 31, 2023 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. (the "Listing Regulations").

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:
   i. Shakti Energy Solutions Pvt. Ltd.
   ii. Shakti EV Mobility Private Limited (Formerly known as Shakti Green Industries Pvt. Ltd)
   iii. Shakti Pumps FZE, UAE.

PGS & Associates

Chartered Accountants

103, Vatsalya Building, 3rd Lane, Hindu Colony, L N Road, Dadar (East), Mumbai- 400014

• Telephone No: 86577 41103 / 87790 57086 • Email ID: info@pgsca.in

iv. Shakti Pumps U.S.A, LLC.
v. Shakti Pumps (Bangladesh) Limited.
vi. Shakti Pumps (Shanghai) Ltd. **(Closed in Q2 2023-24)**

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the interim financial results of 5 subsidiaries included in the unaudited consolidated financial results, whose interim financial results reflect total revenues of Rs. 9,024.81 lacs and 188,92.45 lacs, total net profit/(loss) after tax of Rs. 802.12 lacs and 1,621.59 lacs and total comprehensive income/(loss) of Rs. 832.36 lacs and 1,676.28 lacs for the quarter ended December 31, 2023, and period from 01 April 2023 to December 31, 2023, respectively as considered in the Statement. These interim financial results have been reviewed 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 3 above.

   Our conclusion on the Statement is not modified in respect of this matter.

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

PHGandhi

(Premal Gandhi)
Partner
Membership Number: 111592
UDIN:24111592BKBIIF2407
Place: Mumbai
Date: January 25,2024

PGS & ASSOCIATES FRN 0122384W MUMBAI Chartered Accountants

SHAKTI PUMPS (INDIA) LIMITED

Regd. Office: Plot No. 401,402 &413, Sector-III, Industrial Area, Pithampur , Distt. Dhar (M.P.) - 454774

CIN: L29120MP1995PLC009327

Statement of Consolidated Financial Results for the Quarter and Nine Months ended on December 31, 2023

(Rs. in Lacs, unless otherwise stated)

S.No	Particulars	Quarter Ended on			Nine Months ended on		Year ended on
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from operations	49,562.07	15,277.76	31,422.04	76,146.23	78,502.42	96,768.33
II	Other income	141.89	75.65	87.52	271.18	267.16	325.29
III	**Total Revenue (I+II)**	**49,703.96**	**15,353.41**	**31,509.56**	**76,417.41**	**78,769.58**	**97,093.62**
IV	**Expenses**						
	Cost of materials consumed	35,398.17	15,655.94	26,136.21	59,827.67	61,413.15	74,460.52
	Purchase of stock-in-trade	-	-	-	-	-	-
	Changes in inventories of finished goods,	(4.69)	(5,825.31)	(1,661.27)	(6,976.37)	(628.90)	(123.95)
	Employee benefits expenses	1,736.43	1,467.43	1,413.01	4,629.88	4,142.45	5,340.11
	Finance costs	482.61	380.57	337.24	1,173.82	1,511.09	1,916.39
	Depreciation and amortisation expenses	480.17	478.65	455.12	1,421.95	1,393.89	1,840.21
	Other expenses	5,335.90	2,459.00	3,345.54	9,255.49	8,008.77	10,435.61
	Total Expenses (IV)	**43,428.59**	**14,616.29**	**30,025.85**	**69,332.44**	**75,840.45**	**93,868.89**
V	**Profit/(loss) before exceptional items and tax (III-IV)**	**6,275.37**	**737.12**	**1,483.71**	**7,084.97**	**2,929.13**	**3,224.73**
VI	**Exceptional Items**	-	-	-	-	-	-
VII	**Profit/ (loss) before tax (V-VI)**	**6,275.37**	**737.12**	**1,483.71**	**7,084.97**	**2,929.13**	**3,224.73**
VIII	**Tax Expense:**						
	(1) Current Tax	1,730.96	121.43	439.45	1,938.15	860.49	915.16
	(2) Short/(Excess) provision of Tax	(3.79)	-	(64.25)	(3.76)	(60.45)	(67.44)
	(3) Deferred Tax	28.87	29.53	(16.17)	(54.52)	(59.28)	(36.17)
IX	**Profit/(loss) for the period (VII-VIII)**	**4,519.33**	**586.16**	**1,124.68**	**5,205.10**	**2,188.37**	**2,413.18**
X	**Other Comprehensive Income**	**21.42**	**25.03**	**200.54**	**53.99**	**409.01**	**442.24**
XI	**Total Comprehensive Income for the period (IX+X)**	**4,540.75**	**611.19**	**1,325.22**	**5,259.09**	**2,597.38**	**2,855.42**
XII	**Paid-up equity share capital** (Face Value: Rs.10/- per share)	**1,838.02**	**1,838.02**	**1,838.02**	**1,838.02**	**1,838.02**	**1,838.02**
XIII	**Earnings per equity share (INR)**						
	(1) Basic	24.59	3.19	6.12	28.32	11.91	13.13
	(2) Diluted	24.59	3.19	6.12	28.32	11.91	13.13

Notes:

* **Standalone financial information of the Company:**

Particulars	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Turnover	47,118.06	13,513.17	30,244.87	71,518.42	75,076.68	93,026.57
Profit before interest, depreciation and tax (PBIDT)	6,591.35	919.66	2,164.30	8,576.40	5,174.49	6,470.97
Profit before tax	5,705.95	151.32	1,436.41	6,208.47	2,502.76	3,010.17
Profit after tax	4,089.81	87.21	1,141.29	4,618.84	1,942.05	2,398.55

* The Company operates its business through operating segments, representing our business on the basis of geographies which are India & Overseas.
* The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on January 25, 2024.
* Figures for the corresponding previous period have been regrouped/rearranged, wherever necessary.

For Shakti Pumps (India) Limited

Dinesh

Dinesh Patidar
Chairman & Whole Time Director
(DIN 00549552)

SHAKTI PUMPS (INDIA) LTD.

Place: Pithampur
Date: January 25, 2024

SHAKTI PUMPS (INDIA) LIMITED

Regd. Office: Plot No. 401,402 &413, Sector-III, Industrial Area, Pithampur , Distt. Dhar (M.P.) - 454774
CIN: L29120MP1995PLC009327

Information about Operating Segments:

(Rs. in Lacs, unless otherwise stated)

Particular	Quarter ended on 31.12.2023	Quarter ended on 30.09.2023	Quarter ended on 31.12.2022	Nine Months ended on 31.12.2023	Nine Months ended on 31.12.2022	Year ended on 31.03.2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue						
India	52,004.99	16,313.05	33,139.46	79,684.16	83,843.03	1,02,946.91
Overseas	4,137.88	4,051.77	4,338.61	10,726.70	10,535.64	13,683.64
Total Segment Revenue	**56,142.87**	**20,364.82**	**37,478.07**	**90,410.86**	**94,378.67**	**1,16,630.55**
Inter segment sales	(6,438.90)	(5,011.42)	(5,968.51)	(13,993.45)	(15,609.09)	(19,536.93)
Income from operations	**49,703.97**	**15,353.40**	**31,509.56**	**76,417.41**	**78,769.58**	**97,093.62**
2. Segment Results						
Profit/(loss) before finance costs, Exceptional Items & Tax						
India	6,253.56	612.99	1,585.31	6,774.81	3,694.93	4,191.55
Overseas	504.43	504.70	235.64	1,483.99	745.29	949.57
Total	**6,757.99**	**1,117.69**	**1,820.95**	**8,258.80**	**4,440.22**	**5,141.12**
Less: Finance Cost	482.61	380.57	337.24	1,173.82	1,511.09	1,916.39
Profit before exceptional items & tax	**6,275.38**	**737.12**	**1,483.71**	**7,084.98**	**2,929.13**	**3,224.73**
Exceptional Items	-	-	-			-
Profit before Tax	**6,275.38**	**737.12**	**1,483.71**	**7,084.98**	**2,929.13**	**3,224.73**
3. Capital Employed						
(Segment Assets)						
India	97,693.26	78,380.97	74,407.41	97,693.26	74,407.41	65,954.43
Overseas	7,545.30	7,118.40	6,073.45	7,545.30	6,073.45	6,579.86
Total Segment Assets	**1,05,238.56**	**85,499.37**	**80,480.86**	**1,05,238.56**	**80,480.86**	**72,534.29**
(Segment Liabilities)						
India	56,941.36	41,663.95	38,370.83	56,941.36	38,370.83	29,488.80
Overseas	1,600.23	1,679.20	562.58	1,600.23	562.58	1,240.01
Total Segment Liabilities	**58,541.59**	**43,343.15**	**38,933.41**	**58,541.59**	**38,933.41**	**30,728.81**
Net Capital Employed (Segment Assets-Segment Liabilities)						
India	40,751.91	36,717.02	36,036.59	40,751.91	36,036.59	36,465.63
Overseas	5,945.07	5,439.21	5,510.87	5,945.07	5,510.87	5,339.85
Total Capital Employed	**46,696.98**	**42,156.23**	**41,547.46**	**46,696.98**	**41,547.46**	**41,805.48**

* Figures for the corresponding previous periods have been regrouped/rearranged, wherever necessary.

For Shakti Pumps (India) Limited

Dinesh Patidar
Chairman & Whole Time Director
(DIN 00549552)

SHAKTI PUMPS (INDIA) LTD.

Place: Pithampur
Date: January 25, 2024

PGS & Associates

Chartered Accountants

103, Vatsalya Building, 3rd Lane, Hindu Colony, L N Road, Dadar (East), Mumbai- 400014

• Telephone No: 86577 41103 / 87790 57086 • Email ID: info@pgsca.in

Independent Auditor' Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,
The Board of Directors,
SHAKTI PUMPS (INDIA) LIMITED

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Shakti Pumps (India) Limited ("the Company"), for the quarter ended December 31, 2023 and year to date from April 1, 2023 to 31 December 2023 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations")

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statements are free from material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results prepared in accordance with the applicable Indian Accounting Standard (Ind-AS) prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder, and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement

PGS & Associates

Chartered Accountants

103, Vatsalya Building, 3rd Lane, Hindu Colony, L N Road, Dadar (East), Mumbai- 400014

• Telephone No: 86577 41103 / 87790 57086 • Email ID: info@pgsca.in

Other Matters

5. The Standalone financial results include the one foreign branch which has been reviewed by the branch auditor, whose interim financial results reflect total revenues of Rs. 204.45 lacs and 1,340.27 lacs, total net profit/(loss) after tax of Rs. (38.14) lacs and 85.73 lacs and total comprehensive income/(loss) of Rs. (38.11) lacs and 85.73 lacs for the quarter ended December 31, 2023, and period from 01 April 2023 to December 31, 2023, respectively as considered in the Statement. According to the information and explanations given to us by the Management.

   The aforesaid branch located outside India whose financial result and other financial information have been prepared in accordance with accounting principles generally accepted in respective countries. Company's management has converted the financial results of the branch located outside India for accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion is so far as it relates to the balances and affairs of such branch located outside India is based on the report of management certified accounts and conversion adjustments prepared by the management of the Holding Company and reviewed by us.

   Our opinion on the statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Board of Directors.

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

PGS & ASSOCIATES FRN 0122384W MUMBAI Chartered Accountants

PHGandhi

(Premal Gandhi)
Partner
Membership Number: 111592
UDIN: 24111592BKBIIE1607
Place: Mumbai
Date: January 25,2024

SHAKTI PUMPS (INDIA) LIMITED

Regd. Office: Plot No. 401,402 &413, Sector-III, Industrial Area, Pithampur , Distt. Dhar (M.P.) - 454774

CIN: L29120MP1995PLC009327

Statement of Standalone Financial Results for the Quarter and Nine Months ended on December 31, 2023

(Rs. in Lacs, unless otherwise stated)

S.No	Particulars	Quarter ended on			Nine Months ended on		Year ended on
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from operations	46,968.11	13,437.88	30,154.29	70,507.27	74,809.27	92,336.23
II	Other income	149.95	75.29	90.58	1,011.15	267.41	690.34
III	**Total Revenue (I+II)**	**47,118.06**	**13,513.17**	**30,244.87**	**71,518.42**	**75,076.68**	**93,026.57**
IV	**Expenses**						
	Cost of materials consumed	33,923.45	15,109.63	22,225.90	57,246.36	59,207.49	72,190.71
	Purchase of Stock-in-Trade	-	-		-	-	-
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	(52.10)	(5,957.88)	1,504.85	(6,943.30)	(445.14)	7.90
	Employee benefits expenses	1,562.05	1,326.39	1,319.74	4,222.35	3,870.06	4,972.23
	Finance costs	442.34	329.44	302.72	1,053.69	1,371.91	1,744.71
	Depreciation and Amortisation expense	443.06	438.90	425.17	1,314.24	1,299.82	1,716.09
	Other expenses	5,093.31	2,115.37	3,030.08	8,416.61	7,269.78	9,384.76
	Total Expenses (IV)	**41,412.11**	**13,361.85**	**28,808.46**	**65,309.95**	**72,573.92**	**90,016.40**
V	**Profit/(loss) before exceptional items and tax (III-IV)**	**5,705.95**	**151.32**	**1,436.41**	**6,208.47**	**2,502.76**	**3,010.17**
VI	**Exceptional Items**	-	-	-	-	-	-
VII	**Profit/ (loss) before tax(V-VI)**	**5,705.95**	**151.32**	**1,436.41**	**6,208.47**	**2,502.76**	**3,010.17**
VIII	**Tax Expense:**						
	(1) Current Tax	1,603.25	45.73	390.03	1,653.60	711.24	754.31
	(2) Short/Excess provision of Tax	-	-	(80.21)	-	(80.21)	(80.21)
	(3) Deferred Tax	12.89	18.38	(14.70)	(63.97)	(70.32)	(62.48)
IX	**Profit/(loss) for the period (VII-VIII)**	**4,089.81**	**87.21**	**1,141.29**	**4,618.84**	**1,942.05**	**2,398.55**
X	**Other Comprehensive Income**	**(8.83)**	**8.31**	**(1.66)**	**(0.71)**	**(5.86)**	**12.67**
XI	**Total Comprehensive Income for the period (IX+X)** (Comprising Profit/(Loss) and Other comprehensive Income for the period)	**4,080.98**	**95.52**	**1,139.63**	**4,618.13**	**1,936.19**	**2,411.22**
XII	**Paid-up equity share capital** (Face value: Rs.10/- per share)	**1,838.02**	**1,838.02**	**1,838.02**	**1,838.02**	**1,838.02**	**1,838.02**
XIII	**Earnings per equity share (INR)**						
	(1) Basic	22.25	0.47	6.21	25.13	10.57	13.05
	(2) Diluted	22.25	0.47	6.21	25.13	10.57	13.05

Notes:

* The Company has only one operating segment namely "Pumps & Motors".
* The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on January 25, 2024.
* Figures for the corresponding previous period have been regrouped/rearranged, wherever necessary.

For Shakti Pumps (India) Limited

Dinesh Patidar
Chairman & Whole Time Director
(DIN 00549552)

Place: Pithampur
Date: January 25, 2024

SHAKTI PUMPS (INDIA) LTD.

PGS & Associates

Chartered Accountants

301, Laxmi Krupa, 3rd Lokmanya Tilak Colony Road, Near Yogi Sabhagruh, Dadar (East), Mumbai 400014
Tele ✡ 24133171 ✡ 24182121 ✡E-mail: premal@pgsca.in

Independent Auditor' Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,
The Board of Directors,
SHAKTI PUMPS (INDIA) LIMITED

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Shakti Pumps (India) Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended December 31,2022 and for the period April 1, 2022 to December 31, 2022 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. (the "Listing Regulations").

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:
   i. Shakti Energy Solutions Pvt. Ltd.
   ii. Shakti Green Industries Pvt. Ltd

PGS & ASSOCIATES
FRN 0122384W
MUMBAI
Chartered Accountants

iii. Shakti Pumps FZE, UAE.
iv. Shakti Pumps U.S.A, LLC.
v. Shakti Pumps (Bangladesh) Limited.
vi. Shakti Pumps (Shanghai) Ltd.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the interim financial results of 6 subsidiaries included in the unaudited consolidated financial results, whose interim financial results reflect total revenues of Rs. 7,236.27 lacs and 19,302.23 lacs, total net profit/(loss) after tax of Rs. 229.46 lacs and 714.22 lacs and total comprehensive income/(loss) of Rs. 430.00 lacs and 1,129.09 lacs for the quarter ended December 31, 2022, and period from 01 April 2022 to December 31, 2022, respectively as considered in the Statement. These interim financial results have been reviewed 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 3 above.

Our conclusion on the Statement is not modified in respect of this matter.

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

PHGandhi

PGS & ASSOCIATES FRN 0122384W MUMBAI Chartered Accountants

(Premal Gandhi)
Partner
Membership Number: 111592
UDIN: **23111592BGXFAN1738**
Place: Mumbai
Date: January 20,2023

SHAKTI PUMPS [INDIA] LIMITED

Regd. Office: Plot No. 401,402 &413, Sector-III, Industrial Area, Pithampur , Distt. Dhar (M.P.) - 454774

CIN: L29120MP1995PLC009327

Statement of Consolidated Financial Results for the Quarter and Nine Months ended on December 31, 2022

(Rs. in Lacs, unless otherwise stated)

S.No	Particulars	Quarter Ended on			Nine Months ended on		Year ended on
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from operations	31,422.04	21,632.46	26,862.91	78,502.42	79,395.28	1,17,853.51
II	Other income	87.52	72.09	224.29	267.16	424.63	614.14
III	**Total revenue (I+II)**	**31,509.56**	**21,704.55**	**27,087.20**	**78,769.58**	**79,819.91**	**1,18,467.65**
IV	**Expenses**						
	Cost of materials consumed	26,136.21	12,632.58	23,001.30	61,413.15	67,103.43	95,445.60
	Purchase of stock-in-trade	-	-	-	-	-	-
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	(1,661.27)	4,120.74	(2,904.55)	(628.90)	(6,536.81)	(4,981.15)
	Employee benefits expenses	1,413.01	1,383.58	1,363.06	4,142.45	3,973.41	5,241.19
	Finance costs	337.24	573.32	469.46	1,511.09	1,071.47	1,567.62
	Depreciation and amortisation expenses	455.12	471.59	461.98	1,393.89	1,399.63	1,857.46
	Other expenses	3,345.54	2,251.52	2,673.40	8,008.77	7,436.57	11,102.73
	Total expenses (IV)	**30,025.85**	**21,433.33**	**25,064.64**	**75,840.45**	**74,447.72**	**1,10,233.45**
V	**Profit/(loss) before exceptional items and tax (III-IV)**	**1,483.71**	**271.22**	**2,022.56**	**2,929.13**	**5,372.20**	**8,234.20**
VI	**Exceptional Items**	-	-	-	-	-	-
VII	**Profit/ (loss) before tax (V-VI)**	**1,483.71**	**271.22**	**2,022.56**	**2,929.13**	**5,372.20**	**8,234.20**
VIII	**Tax expense:**						
	(1) Current tax	439.45	104.39	592.05	860.49	1,554.63	2,224.81
	(2) Short/(Excess) provision of Tax	(64.25)	0.99	-	(60.45)	-	(0.28)
	(3) Deferred tax	(16.17)	(24.18)	(48.10)	(59.28)	(467.79)	(471.93)
IX	**Profit/(loss) for the period (VII-VIII)**	**1,124.68**	**190.02**	**1,478.61**	**2,188.37**	**4,285.36**	**6,481.60**
X	**Other Comprehensive Income**	**200.54**	**89.85**	**132.91**	**409.01**	**182.68**	**178.23**
XI	**Total Comprehensive Income for the period (IX+X)** Comprising Profit/(Loss) and Other comprehensive Income for the period	**1,325.22**	**279.88**	**1,611.52**	**2,597.38**	**4,468.04**	**6,659.83**
XII	**Paid-up equity share capital** (Face Value: Rs.10/- per share)	**1,838.02**	**1,838.02**	**1838.02**	**1,838.02**	**1,838.02**	**1,838.02**
XIII	**Earnings per equity share (INR)**						
	(1) Basic	6.12	1.03	8.04	11.91	23.32	35.26
	(2) Diluted	6.12	1.03	8.04	11.91	23.32	35.26

Notes:

* **Standalone financial information of the Company:**

Particulars	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Turnover	30,244.87	21,044.23	26,048.11	75,076.68	76,894.48	1,13,469.09
Profit before interest, depreciation and tax (PBIDT)	2,164.29	1,030.52	2,856.77	5,174.49	6,795.77	9,958.68
Profit before tax	1,436.41	68.90	2,015.35	2,502.76	4,568.52	6,867.12
Profit after tax	1,141.29	55.49	1,504.59	1,942.05	3,847.66	5,559.40

* The Company operates its business through operating segments, representing our business on the basis of geographies which are India & Overseas.
* The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on January 20, 2023.
* Figures for the corresponding previous period have been regrouped/rearranged, wherever necessary.

For Shakti Pumps (India) Limited

Dinesh Patidar
Managing Director
(DIN 00549552)

SHAKTI PUMPS (INDIA) LTD.

Place: Pithampur
Date: January 20, 2023

PGS & Associates

Chartered Accountants

301, Laxmi Krupa, 3rd Lokmanya Tilak Colony Road, Near Yogi Sabhagruh, Dadar (East), Mumbai 400014
Tele ✡ 24133171 ✡ 24182121 ✡E-mail: premal@pgsca.in

Independent Auditor' Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,
The Board of Directors,
SHAKTI PUMPS (INDIA) LIMITED

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Shakti Pumps (India) Limited ("the Company"), for the quarter ended December 31, 2022 and year to date from April 1, 2022 to 31 December 2022 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations")

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statements are free from material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results prepared in accordance with the applicable Indian Accounting Standard (Ind-AS) prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder, and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

PGS & ASSOCIATES FRN 012884W MUMBAI Chartered Accountants

PGS & Associates
Chartered Accountants

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

PHGandhi

(Premal Gandhi)
Partner
Membership Number: 111592
UDIN: **23111592BGXFAM6311**
Place: Mumbai
Date: January 20,2023

PGS & ASSOCIATES
FRN
0122384W
MUMBAI
Chartered Accountants

SHAKTI PUMPS [INDIA] LIMITED

Regd. Office: Plot No. 401,402 &413, Sector-III, Industrial Area, Pithampur , Distt. Dhar (M.P.) - 454774

CIN: L29120MP1995PLC009327

Statement of Standalone Financial Results for the Quarter and Nine Months ended on December 31, 2022

(Rs. in Lacs, unless otherwise stated)

S.No	Particulars	Quarter ended on			Nine Months ended on		Year ended on
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from operations	30,154.29	20,972.64	25,614.05	74,809.27	76,042.06	1,12,405.82
II	Other income	90.58	71.59	434.06	267.41	852.42	1,063.27
III	**Total revenue (I+II)**	**30,244.87**	**21,044.23**	**26,048.11**	**75,076.68**	**76,894.48**	**1,13,469.09**
IV	**Expenses**						
	Cost of materials consumed	22,225.90	16,151.28	21,867.32	59,207.49	65,010.37	92,564.95
	Purchase of Stock-in-Trade	-	-	-	-	-	-
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	1,504.85	492.91	(2,296.04)	(445.14)	(5,363.24)	(4,145.46)
	Employee benefits expenses	1,319.74	1,293.71	1,271.90	3,870.06	3,754.07	4,936.16
	Finance costs	302.72	522.41	409.01	1,371.91	921.13	1,357.27
	Depreciation and amortisation expense	425.17	439.21	432.41	1,299.82	1,306.12	1,734.29
	Other expenses	3,030.08	2,075.81	2,348.16	7,269.78	6,697.52	10,154.76
	Total expenses (IV)	**28,808.46**	**20,975.33**	**24,032.76**	**72,573.92**	**72,325.96**	**1,06,601.97**
V	**Profit/(loss) before exceptional items and tax (III-IV)**	**1,436.41**	**68.90**	**2,015.35**	**2,502.76**	**4,568.52**	**6,867.12**
VI	**Exceptional Items**	-	-	-	-	-	-
VII	**Profit/ (loss) before tax(V-VI)**	**1,436.41**	**68.90**	**2,015.35**	**2,502.76**	**4,568.52**	**6,867.12**
VIII	**Tax expense:**						
	(1) Current tax	390.03	47.20	570.45	711.24	1,308.07	1,922.86
	(2) Short/Excess provision of Tax	(80.21)	-	-	(80.21)	-	(3.78)
	(3) Deferred tax	(14.70)	(33.79)	(59.69)	(70.32)	(587.21)	(611.36)
IX	**Profit/(loss) for the period (VII-VIII)**	**1,141.29**	**55.49**	**1,504.59**	**1,942.05**	**3,847.66**	**5,559.40**
X	**Other Comprehensive Income**	**(1.66)**	**(2.08)**	**(3.74)**	**(5.86)**	**(12.72)**	**(28.22)**
XI	**Total Comprehensive Income for the period (IX+X)** (Comprising Profit/(Loss) and Other comprehensive Income for the period)	**1,139.63**	**53.41**	**1,500.85**	**1,936.19**	**3,834.94**	**5,531.18**
XII	**Paid-up equity share capital** (Face value: Rs.10/- per share)	**1,838.02**	**1,838.02**	**1,838.02**	**1,838.02**	**1,838.02**	**1,838.02**
XIII	**Earnings per equity share (INR)**						
	(1) Basic	6.21	0.30	8.19	10.57	20.93	30.25
	(2) Diluted	6.21	0.30	8.19	10.57	20.93	30.25

Notes:

* The Company has only one operating segment namely, "Pumps & Motors"
* The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on January 20, 2023.
* Figures for the corresponding previous period have been regrouped/rearranged, wherever necessary.

For Shakti Pumps (India) Limited

Dinesh Patidar
Managing Director
(DIN 00549552)

SHAKTI PUMPS (INDIA) LTD.

Place: Pithampur
Date: January 20, 2023

SHAKTI PUMPS [INDIA] LIMITED

Regd. Office: Plot No. 401,402 &413, Sector-III, Industrial Area, Pithampur , Distt. Dhar (M.P.) - 454774

CIN: L29120MP1995PLC009327

Information about Operating Segments:

(Rs. in Lacs, unless otherwise stated)

Particular	Quarter ended on 31.12.2022	Quarter ended on 30.09.2022	Quarter ended on 31.12.2021	Nine Months ended on 31.12.2022	Nine Months ended on 31.12.2021	Year ended on 31.03.2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue						
India	33,139.46	23,051.24	29,986.05	83,843.03	87,710.43	1,28,937.21
Overseas	4,338.61	3,663.12	3,378.44	10,535.64	8,441.77	11,552.11
Total Segment Revenue	**37,478.07**	**26,714.36**	**33,364.49**	**94,378.67**	**96,152.20**	**1,40,489.32**
Inter segment sales	(5,968.51)	(5,009.81)	(6,277.29)	(15,609.09)	(16,332.29)	(22,021.67)
Income from operations	**31,509.56**	**21,704.55**	**27,087.20**	**78,769.58**	**79,819.91**	**1,18,467.65**
2. Segment Results						
Profit/(loss) before finance costs, Exceptional Items & Tax						
India	1,585.31	550.47	2,312.14	3,694.93	5,822.07	8,706.25
Overseas	235.64	294.07	179.88	745.29	621.60	1,095.57
Total	**1,820.95**	**844.54**	**2,492.02**	**4,440.22**	**6,443.67**	**9,801.82**
Less: Finance Cost	337.24	573.32	469.46	1,511.09	1,071.47	1,567.62
Profit before exceptional items & tax	**1,483.71**	**271.22**	**2,022.56**	**2,929.13**	**5,372.20**	**8,234.20**
Exceptional Items	-	-	-		-	-
Profit before Tax	**1,483.71**	**271.22**	**2,022.56**	**2,929.13**	**5,372.20**	**8,234.20**
3. Capital Employed						
(Segment Assets)						
India	74,407.41	75,094.44	79,114.00	74,407.41	79,114.00	80,691.66
Overseas	6,073.45	5,894.33	5,294.77	6,073.45	5,294.77	5,675.91
Total Segment Assets	**80,480.86**	**80,988.77**	**84,408.77**	**80,480.86**	**84,408.77**	**86,367.57**
(Segment Liabilities)						
India	38,370.83	39,968.39	46,056.96	38,370.83	46,056.96	45,853.53
Overseas	562.58	798.13	1,225.94	562.58	1,225.94	1,196.37
Total Segment Liabilities	**38,933.41**	**40,766.52**	**47,282.90**	**38,933.41**	**47,282.90**	**47,049.90**
Net Capital Employed (Segment Assets-Segment Liabilities)						
India	36,036.59	35,126.05	33,057.04	36,036.59	33,057.04	34,838.13
Overseas	5,510.87	5,096.19	4,068.83	5,510.87	4,068.83	4,479.54
Total Capital Employed	**41,547.46**	**40,222.24**	**37,125.87**	**41,547.46**	**37,125.87**	**39,317.67**

* Figures for the corresponding previous periods have been regrouped/rearranged, wherever necessary.

For Shakti Pumps (India) Limited

Dinesh Patidar
Managing Director
(DIN 00549552)

SHAKTI PUMPS (INDIA) LTD.

Place: Pithampur
Date: January 20, 2023

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 2023, 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 2023, 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 there under, 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.

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.

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Sr. No.	Key Audit Matter	Auditor's Response
1	Evaluation of uncertain tax positions The Group has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 31 to the Consolidated Financial Statements	**<u>Principal Audit Procedures</u>** Obtained details of completed tax assessments and demands for the year ended March 31, 2023, 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, 2022 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 communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other information.

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.

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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)(i) 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.

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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 statement, whose financial statements reflect total assets of Rs. 11,385.90 lacs as on 31 March 2023, total revenues of Rs. 23,595.03 lacs, total net (loss)/profit after tax of Rs. 850.18 lacs and total comprehensive income/(loss) of Rs. 1,279.74 lacs for the period from 01 April 2022 to March 31, 2023, respectively as considered in the Statements. These financial statements 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 opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

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Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above 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 2023 taken on record by the Board of Directors including two Companies incorporated in India included in the Consolidated financial statement , none of the directors of parent is disqualified as on 31 March 2023, 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) 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 31;

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

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Chartered Accountants

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;

iv.

i. The Management of the Parent which is a company incorporated in India, whose financial statements has been audited under the Act, has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company, its subsidiaries and its associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, its subsidiaries and its associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

ii. The Holding Company Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Holding Company, its subsidiaries and its associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its subsidiaries and its associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

iii. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

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As stated in note 29 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuring Annual General Meeting. The dividend declared is in accordance with section 123 of the Act, to the extent it applies to declaration of dividend.

The final dividend proposed in the previous year, declared and paid by the Parent during the year is in accordance with section 123 of the Act, as applicable.

With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary auditors included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in the CARO report of the subsidiaries.

For PGS & Associates
Chartered Accountants
Firm Registration Number: 122384W
UDIN: 23111592BGXFCU5609

PGS & ASSOCIATES FRN 0122384W MUMBAI Chartered Accountants

PHGandhi

Premal Gandhi
Partner
Membership Number: 111592

Place: Mumbai
Date: May 05, 2023

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, 2023, 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.

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FRN 0122384W
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Chartered Accountants

Annexure- A to the Independent Auditors' Report on the Ind AS Financial Statements (continued)
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, 2023, 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
UDIN: 23111592BGXFCU5609

PGS & ASSOCIATES FRN 0122384W MUMBAI Chartered Accountants

Premal Gandhi
Partner
Membership Number: 111592

Place: Mumbai
Date: May 05, 2023

SHAKTI PUMPS (INDIA) LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL YEAR 2022-23

SHAKTI PUMPS (INDIA) LIMITED
CIN : L29120MP1995PLC009327
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

(Rs. in Lacs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I ASSETS			
1 Non - Current Assets			
(a) Property, Plant and Equipment	3	14,208.97	14,109.18
(b) Capital Work-In-Progress	3	146.55	49.53
(c) Intangible Assets	4	449.15	463.09
(d) Intangible Assets Under Development	4	8.63	10.89
(e) Financial Assets	5		
(i) Investments	5.1	0.02	0.02
(ii) Other Financial Assets	5.2	1,081.39	243.79
(f) Non-Current Tax Assets (Net)	6	140.51	24.58
(g) Other Non-Current Assets	7	296.40	206.55
Total Non-Current Assets		**16,331.62**	**15,107.63**
2 Current Assets			
(a) Inventories	8	20,730.28	21,582.69
(b) Financial Assets	9		
(i) Trade Receivables	9.1	24,368.22	38,277.58
(ii) Cash and Cash Equivalents	9.2	1,104.52	3,124.99
(iii) Bank Balance Other than Above	9.3	636.75	1,335.12
(iv) Other Financial Assets	9.4	329.74	369.05
(c) Current Tax Assets (Net)	10	1,175.67	114.79
(d) Other Current Assets	11	7,857.50	6,455.72
Total Current Assets		**56,202.68**	**71,259.94**
Total Assets		**72,534.30**	**86,367.57**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12	1,838.02	1,838.02
(b) Other Equity	13	39,967.46	37,479.65
Total Equity		**41,805.48**	**39,317.67**
Liabilities			
1 Non-Current Liabilities			
(a) Financial Liabilities	14		
(i) Borrowings	14.1	242.87	930.37
(ii) Lease Liability	14.2	156.36	101.01
(b) Provisions	15	641.27	577.09
(c) Deferred Tax Liabilities (Net)	16	659.28	695.46
Total Non-Current Liabilities		**1,699.78**	**2,303.93**
2 Current Liabilities			
(a) Financial Liabilities	17		
(i) Borrowings	17.1	7,097.20	9,570.75
(ii) Lease Liability	17.2	17.61	12.17
(iii) Trade Payables	17.3		
- Dues of Micro and Small Enterprise		2,928.66	6,359.67
- Dues of Other than Micro and Small Enterprise		9,766.21	22,039.51
(iv) Other Financial Liabilities	17.4	3,567.20	5,187.01
(b) Provisions	18	47.65	38.08
(c) Other Current Liabilities	19	5,604.51	1,538.78
Total Current Liabilities		**29,029.04**	**44,745.97**
Total Equity And Liabilities		**72,534.30**	**86,367.57**
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 42		

As per our report of even date

For PGS & Associates
Chartered Accountants
ICAI Firm Registration No. : 122384W

PGS & ASSOCIATES FRN 0122384W MUMBAI Chartered Accountants

Premal Gandhi
Partner
M.No.111592
UDIN: 23111592BGXFCU5609

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

Dinesh Patel
Chief Financial Officer

Ravi Patidar
Company Secretary
M. No. ACS 32328

Place: Pithampur
Date: May 05, 2023

SHAKTI PUMPS (INDIA) LIMITED
CIN : L29120MP1995PLC009327
CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lacs)

	Particulars	Note No.	2022-23	2021-22
I	Revenue from Operations	20	96,768.33	1,17,853.51
II	Other Income	21	325.29	614.14
III	**Total Income (I+II)**		**97,093.62**	**1,18,467.65**
IV	**Expenses**			
	Cost of Materials Consumed	22	74,460.52	95,445.60
	Purchase of Stock-in-Trade		-	-
	Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	23	(123.95)	(4,981.15)
	Employee Benefits Expenses	24	5,340.11	5,241.19
	Finance Costs	25	1,916.39	1,567.62
	Depreciation and Amortisation Expense	26	1,840.21	1,857.46
	Other Expenses	27	10,435.61	11,102.73
	Total Expenses (IV)		**93,868.89**	**1,10,233.45**
V	**Profit/(loss) before Exceptional Items and Tax (III-IV)**		**3,224.73**	**8,234.20**
VI	Exceptional Items		-	-
VII	**Profit/ (loss) before Tax(V-VI)**		**3,224.73**	**8,234.20**
VIII	**Tax Expense:**			
	(1) Current Tax		915.16	2,224.81
	(2) Excess/Short Provision of Tax		(67.44)	(0.28)
	(3) Deferred Tax		(36.17)	(471.93)
IX	**Profit/(loss) for the year (VII-VIII)**		**2,413.18**	**6,481.60**
X	**Other Comprehensive Income**			
(A)	(i) Items that will not be reclassified to profit or loss Re-measurement gains/(loss) on defined benefit plans		11.53	(37.28)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(2.76)	9.37
(B)	(i) Items that will be reclassified to profit or loss Unrealised exchange gain/(loss)		433.47	206.14
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Total Comprehensive Income for the year (X)		**442.24**	**178.23**
XI	**Total Comprehensive Income /Loss for the year (IX+X)**		**2,855.42**	**6,659.83**
XII	Earnings per equity share [nominal value of share Rs. 10/-]	28		
	(1) Basic		13.13	35.26
	(2) Diluted		13.13	35.26

As per our report of even date

For PGS & Associates
Chartered Accountants
ICAI Firm Registration No. : 122384W

PGS & ASSOCIATES FRN 0122384W MUMBAI Chartered Accountants

Premal Gandhi
Partner
M.No.111592
UDIN: 23111592BGXFCU5609

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

Dinesh Patel
Chief Financial Officer

Ravi Patidar
Company Secretary
M. No. ACS 32328

Place: Pithampur
Date: May 05, 2023

SHAKTI PUMPS (INDIA) LTD.
CIN : L29120MP1995PLC009327
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lacs)

	Particulars	For the Year Ended March 31, 2023		For the Year Ended March 31, 2022	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit & loss before tax as per profit & Loss Account		**3,224.73**		**8,234.20**
	Adjusted For :				
	Depreciation and Amortisation Expense	1,840.22		1,857.46	
	Interest Income	(70.91)		(312.33)	
	Interest Expenses	1,137.03		1,140.38	
	Provision for Doubtful Debts	67.99		75.73	
	Re-measurement (gains) / loss on defined benefit plans	11.53		(37.28)	
	Unrealised exchange (gain)/loss (net)	433.47		273.46	
	Profit /Loss on sale of property, plant and equipment (net)	(14.42)		2.57	
			3,404.91		2,999.98
	Operating Profit Before Working Capital Changes		**6,629.64**		**11,234.18**
	Adjusted For :				
	(Increase)/Decrease in Trade and Other Receivables	11,516.77		(12,558.66)	
	(Increase)/Decrease in Inventories	852.42		(8,242.01)	
	Increase/(Decrease) in Trade and other payables	(13,102.92)		12,207.25	
			(733.73)		(8,593.42)
	Net Cash Flow From Operating Activities		**5,895.91**		**2,640.76**
	Income taxes (paid)/refund (net)	(2,027.28)		(941.25)	
			(2,027.28)		(941.25)
	Net Cash Flow From/(Used In) Operating Activities (A)		**3,868.63**		**1,699.51**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property, Plant and Equipment	(2,344.03)		(2,087.71)	
	Purchase of Intangible Assets	(22.30)		(73.80)	
	Movement in Capital Work-in-Progress	(94.76)		15.51	
	Sale of Fixed Assets	454.67		464.50	
	Movement in Advance for Capital Goods	(20.81)		(7.00)	
	Interest Received	126.38		273.43	
	(Deposits)/Redemption with banks	698.37		654.71	
	Net Cash Flow From/(Used In) Investing Activities (B)		**(1,202.48)**		**(760.35)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Repayment of Long term borrowings	(958.79)		(1,258.63)	
	Proceeds/(Repayment) from Short Term Borrowings (Net)	(2,202.26)		3,884.63	
	Dividend Paid	(367.60)		(1,470.41)	
	Interest Paid	(1,157.97)		(1,127.18)	
	Net Cash Flow From/(Used In) Financing Activities (C)		**(4,686.62)**		28.40
	Net Change in Cash & Cash Equivalents (A+B+C)		(2,020.47)		967.56
	Cash & Cash Equivalents at the beginning of the year		3,124.99		2,157.43
	Cash & Cash Equivalents at the end of the year		**1,104.52**		**3,124.99**

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

(Rs. in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash in Hand	2.40	2.37
Balance with Scheduled Banks	684.18	2,181.86
Fixed Deposit with Maturity Less than three months	417.94	940.76
Total	**1,104.52**	**3,124.99**

As per our report of even date

For PGS & Associates
Chartered Accountants
ICAI Firm Registration No. : 122384W

PGS & ASSOCIATES FRN 0122384W MUMBAI Chartered Accountants

PHGandhi

Premal Gandhi
Partner
M.No.111592
UDIN: 23111592BGXFCU5609

Place: Pithampur
Date: May 05, 2023

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

Dinesh Patidar
Managing Director
DIN:00549552

Ramesh Patidar
Executive Director
DIN:00931437

Dinesh Patel
Chief Financial Officer

Ravi Patidar
Company Secretary
M. No. ACS 32328

SHAKTI PUMPS (INDIA) LTD.
CIN : L29120MP1995PLC009327
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A Equity share capital

Particulars	As at March 31, 2023			As at March 31, 2022		
	Number of shares	Face value (INR)	Amount (Rs. in Lacs)	Number of shares	Face value (INR)	Amount (Rs. in Lacs)
Balance as at beginning of the year	1,83,80,156	10.00	1,838.02	1,83,80,156	10.00	1,838.02
Changes due to prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	1,83,80,156	10.00	1,838.02	1,83,80,156	10.00	1,838.02
Changes during the current year	-	-	-	-	-	-
Balance at the end of the year	**1,83,80,156**	**10.00**	**1,838.02**	**1,83,80,156**	**10.00**	**1,838.02**

B Other Equity

(Rs. in Lacs)

Particulars	Reserve & Surplus				Foreign Exchange Fluctuation Reserve	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings		
Balance as at April 1, 2021	**49.87**	**8,797.81**	**9,636.71**	**13,627.09**	**111.44**	**32,222.92**
Profit for the year	-	-	-	6,481.60	-	6,481.60
Foreign currency translation reserve	-	-	-	-	67.31	67.31
Dividend Paid	-	-	-	(1,470.41)	-	(1,470.41)
Remeasurement Gain/(Loss)	-	-	-	(27.91)	-	(27.91)
Unrealised Gain/(Loss)	-	-	-	206.14	-	206.14
Balance as at March 31, 2022	**49.87**	**8,797.81**	**9,636.71**	**18,816.50**	**178.76**	**37,479.65**
Profit for the year	-	-	-	2,413.18	-	2,413.18
Dividend Paid	-	-	-	(367.60)	-	(367.60)
Remeasurement Gain/(Loss)	-	-	-	8.77	-	8.77
Unrealised Gain/(Loss)	-	-	-	433.47	-	433.47
Balance as at March 31, 2023	**49.87**	**8,797.81**	**9,636.71**	**21,304.32**	**178.76**	**39,967.46**

As per our report of even date
For PGS & Associates
Chartered Accountants
ICAI Firm Registration No. : 122384W

PGS & ASSOCIATES
FRN 0122384W
MUMBAI
Chartered Accountants

Premal Gandhi
Partner
M.No.111592
UDIN: 23111592BGXFCU5609

Place: Pithampur
Date: May 05, 2023

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
Notes to the Consolidated Financial Statements for the year ended March 31, 2023

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 2023:

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 (Bangladesh) Ltd.	Bangladesh	100%
Shakti Pumps (Shanghai) Ltd.	China	100%
Shakti Energy Solutions Pvt. Ltd.	India	100%
Shakti EV Mobility Pvt. Ltd. (Formerly known as Shakti Green Industries Private Limited)	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".

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.

PGS & ASSOCIATES
FRN 0122384W
MUMBAI
Chartered Accountants

e) The accounts of Shakti Pumps LLC, USA is 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) 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 recognised 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.

PGS & ASSOCIATES
FRN 0122384W
MUMBAI
Chartered Accountants

Shakti Pumps (India) Limited
CIN : L29120MP1995PLC009327
Notes to the Consolidated Financial Statements for the year ended March 31, 2023

NON - CURRENT ASSETS
3. PROPERTY PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

(Rs. in Lacs)

Particulars	Other than Research and Development								Research and Development					Right of use Asset-Leases	Total	Capital work-in-progress
	Freehold Land	Buildings	Plant & Machinery	Die and Tools	Computers	Furniture & Fixtures	Motor Vehicles	Office Equipment	Plant and Machinery	Die and Tools	Computers	Furniture & Fixtures	Office Equipment's			
Gross Carrying Amount																
As at March 31, 2021	415.86	4,660.18	9,394.83	9,941.08	654.84	657.40	260.47	704.02	49.16	267.64	29.35	3.44	86.89	56.34	27,181.48	57.92
Additions	-	256.39	610.60	940.34	19.05	21.89	40.03	46.86	2.49	85.23	1.51	-	24.68	64.60	2,113.66	37.03
Sales/Disposals/Adjustments	-	-	385.51	307.29	3.08	4.11	79.38	(1.77)	-	0.00	-	0.16	-	-	777.76	45.42
As at March 31, 2022	415.86	4,916.56	9,619.92	10,574.12	670.80	675.17	221.12	752.65	51.66	352.87	30.85	3.28	111.57	120.95	28,517.38	49.53
Additions	-	22.44	422.46	991.03	37.92	19.86	58.92	47.70	-	59.09	2.81	-	5.09	695.49	2,362.79	97.02
Sales/Disposals/Adjustments	-	93.08	715.76	49.84	2.72	-	22.10	2.61	-	1.05	-	-	0.14	-	887.31	-
As at March 31, 2023	415.86	4,845.92	9,326.62	11,515.30	706.00	695.03	257.93	797.74	51.66	410.90	33.66	3.28	116.52	816.43	29,992.86	146.55
Accumulated Depreciation																
As at March 31, 2021	-	862.46	4,128.32	6,426.52	511.65	405.23	150.30	293.45	7.00	62.46	8.19	0.69	8.99	2.81	12,868.07	-
Charge for the Year	-	126.65	578.06	862.41	62.64	48.92	23.72	64.21	3.19	37.88	4.90	0.33	9.03	2.95	1,824.88	-
Sales/Disposals/Adjustments	-	(0.17)	98.29	114.99	2.40	1.10	68.12	(0.03)	-	-	-	0.04	-	-	284.74	-
As at March 31, 2022	-	989.27	4,608.09	7,173.94	571.89	453.04	105.90	357.69	10.20	100.34	13.09	0.98	18.02	5.76	14,408.20	-
Charge for the Year	-	134.61	570.61	852.87	46.77	48.23	19.97	65.86	3.27	44.80	5.51	0.31	10.78	7.04	1,810.64	-
Sales/Disposals/Adjustments	-	16.49	354.31	40.38	0.89	-	21.64	1.48	-	(0.22)	-	-	(0.01)	-	434.96	-
As at March 31, 2023	-	1,107.39	4,824.40	7,986.42	617.77	501.27	104.24	422.07	13.47	145.37	18.60	1.29	28.81	12.81	15,783.88	-
Net Block																
As at March 31, 2022	415.86	3,927.29	5,011.83	3,400.18	98.91	222.13	115.21	394.97	41.46	252.53	17.77	2.31	93.55	115.18	14,109.18	49.53
As at March 31, 2023	415.86	3,738.53	4,502.22	3,528.88	88.23	193.76	153.70	375.67	38.19	265.54	15.07	1.99	87.71	803.63	14,208.97	146.55

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. 279.21 Lacs. as at March 31, 2023 (Rs. 152.39 Lacs. as at March 31, 2022).

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. Title Deed of Immovable Property: The Company does not hold any immovable property which is not in the name of the Company.

G. Revaluation of Property: The Company has not revalued its property, plant and equipment (including Right-of-Use Assets) and intangible assets during the year.

PGS & ASSOCIATES ★ FRN 0122384W MUMBAI ★ Chartered Accountants

NON - CURRENT ASSETS

4. INTANGIBLE ASSETS & INTANGIBLE ASSETS UNDER DEVELOPMENT

(Rs. in Lacs)

Particulars	Computer Software	Intangible Assets Under Development
Gross Carrying Amount		
As at March 31, 2021	**522.36**	**18.01**
Additions	73.80	2.23
Capitalised during the year	-	(9.34)
Sales/Disposals/Adjustments	-	-
As at March 31, 2022	**596.15**	**10.89**
Additions	22.30	1.05
Capitalised during the year	-	-
Sales/Disposals/Adjustments	-	3.30
As at March 31, 2023	**618.45**	**8.63**
Accumulated Amortisation		
As at March 31, 2021	**100.48**	**-**
Charge for the Year	32.58	-
Disposals/Adjustments	-	-
As at March 31, 2022	**133.07**	**-**
Charge for the Year	36.24	-
Disposals/Adjustments	-	-
As at March 31, 2023	**169.30**	**-**
Net Block Value		
As at March 31, 2022	**463.09**	**10.89**
As at March 31, 2023	**449.15**	**8.63**

(a) Capital Work-in-progress (CWIP) Ageing Schedule : Projects in progress

(Rs. in Lacs)

Period of	As at March 31, 2023	As at March 31, 2022
Less than 1 year	97.02	-
1-2 years	-	2.08
2-3 years	2.08	-
More than 3 years	47.45	47.45
Total	**146.55**	**49.53**

(b) Intangible Asset Under Development (IAUD) Ageing Schedule : Projects in progress

(Rs. in Lacs)

Period of	As at March 31, 2023	As at March 31, 2022
Less than 1 year	1.05	2.25
1-2 years	-	-
2-3 years	2.25	6.04
More than 3 years	5.34	2.60
Total	**8.63**	**10.89**

PGS & ASSOCIATES
FRN 0122384W
MUMBAI
Chartered Accountants

Shakti Pumps (India) Limited
CIN : L29120MP1995PLC009327
Notes to the Consolidated financial statements for the year ended March 31, 2023

NON-CURRENT ASSETS

5 Financial Assets

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

(Rs. in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Investments in Others :		
(i) Equity Instrument of Others (in Cosmos Bank)	0.02	0.02
Total	**0.02**	**0.02**

1 **Compliance with number of layers of companies:** The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

5.2 Other Financial Assets

(Rs. in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Fixed Deposit with Maturity more than 12 months	640.68	-
(ii) Security Deposits	483.45	286.52
Less: Provision for Doubtful Deposits	(42.74)	(42.74)
Total	**1,081.39**	**243.79**

6 Non-Current Tax Assets (Net)

(Rs. in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Net Income Tax Assets	140.51	24.58
Total	**140.51**	**24.58**

7 Other Non-Current Assets

(Rs. in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)		
(i) Miscellaneous Expenditure	51.46	10.50
(ii) Capital Advances	53.20	32.39
(iii) Balances with Government Authorities	472.24	444.15
Less: Provision for Doubtful Assets	(280.49)	(280.49)
Total	**296.40**	**206.55**

CURRENT ASSETS

8 Inventories

(Rs. in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Raw Material	8,093.00	8,848.41
(ii) Packing Material & Consumables	107.49	90.88
(iii) Work In Process	3,935.06	4,109.84
(iv) Finished Goods	8,456.60	8,157.88
(v) Stock in Transit	138.12	375.69
Total	**20,730.28**	**21,582.69**

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)

Shakti Pumps (India) Limited
CIN : L29120MP1995PLC009327
Notes to the Consolidated financial statements for the year ended March 31, 2023

9 Financial Assets

9.1 Trade Receivables

(Rs. in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, at amortised cost)		
(i) Considered good	24,368.22	38,277.58
(ii) Considered doubtful	107.51	103.24
Less : Provision for expected credit Loss	(107.51)	(103.24)
Total	**24,368.22**	**38,277.58**

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 terms of 30 to 180 days.
3 Related party transactions & balance {Refer note no. 37}

(a) Trade Receivable Ageing Schedule
(Ageing from due date of payment)
As at March 31, 2023

(Rs. in Lacs)

Range of O/s period	Considered Good		Significant increase in credit risk		Total
	Undisputed	Disputed	Undisputed	Disputed	
Not Due	287.96	-	-	-	287.96
less than 6 months	13,986.77	-	-	-	13,986.77
6 months - 1 year	7,191.91	0.88	-	-	7,192.79
1-2 year	1,659.19	0.33	107.51	-	1,767.03
2-3 year	384.31	31.89	-	-	416.20
> 3 years	802.73	22.24	-	-	824.97
Total	**24,312.87**	**55.35**	**107.51**	**-**	**24,475.73**

(b) Trade Receivable Ageing Schedule
(Ageing from due date of payment)
As at March 31, 2022

(Rs. in Lacs)

Range of O/s period	Considered Good		Significant increase in credit risk		Total
	Undisputed	Disputed	Undisputed	Disputed	
Not Due	2,514.52	-	-	-	2,514.52
less than 6 months	31,351.39	-	-	-	31,351.39
6 months - 1 year	2,378.72	-	-	-	2,378.72
1-2 year	929.99	5.05	103.24	-	1,038.28
2-3 year	587.49	0.19	-	-	587.68
> 3 years	486.73	23.50	-	-	510.23
Total	**38,248.85**	**28.73**	**103.24**	**-**	**38,380.82**

9.2 Cash and Cash Equivalents

(Rs. in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Cash in Hand	2.40	2.37
(ii) Balance with Scheduled Banks :		
(a) In Current Accounts	684.18	2,181.86
(b) Fixed Deposit with Maturity less than 3 Months	417.94	940.76
Total	**1,104.52**	**3,124.99**

PGS & ASSOCIATES ★ Chartered Accountants ★ FRN 0122384W MUMBAI

Shakti Pumps (India) Limited
CIN : L29120MP1995PLC009327
Notes to the Consolidated financial statements for the year ended March 31, 2023

9.3 Other Bank Balances (Rs. in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) In Fixed Deposit Accounts	616.41	1,316.80
(ii) Unclaimed Dividend	20.34	18.32
Total	**636.75**	**1,335.12**

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 Others Financial Assets (Rs. in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured- considered good)		
(i) Security Deposits	240.66	224.50
(ii) Interest Receivable on Fixed Deposits with Bank	89.07	144.55
Total	**329.74**	**369.05**

10 Current Tax Assets (Net) (Rs. in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Net Income Tax Assets	1,175.67	114.79
Total	**1,175.67**	**114.79**

11 Other Current Assets (Rs. in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured- considered good)		
(i) Prepaid Expenses	958.19	785.82
(ii) Advance to Suppliers	1,870.49	591.82
(iii) Statutory and Other Receivables	5,028.82	5,078.08
Total	**7,857.50**	**6,455.72**

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12 Share Capital

(Rs. in Lacs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Authorised :				
Equity Shares of Rs.10/- each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
15 % Compulsory Convertible Preference Shares of Rs.100/- each	15,00,000	1,500.00	15,00,000	1,500.00
Total	**2,65,00,000**	**4,000.00**	**2,65,00,000**	**4,000.00**
Issued & Subscribed :				
Equity shares of Rs.10/- each	1,85,60,356	1,856.04	1,85,60,356	1,856.04
15 % Compulsory Convertible Preference Shares of Rs.100/- each	-	-	-	-
Total	**1,85,60,356**	**1,856.04**	**1,85,60,356**	**1,856.04**
Paid Up Capital :				
Equity Shares of Rs.10/- each	1,83,80,156	1,838.02	1,83,80,156	1,838.02
15 % Compulsory Convertible Preference Shares of Rs.100/- each	-	-	-	-
Total	**1,83,80,156**	**1,838.02**	**1,83,80,156**	**1,838.02**

12.1 Terms/rights attached to the equity shares :

(i) The Company has only one class of equity shares having a par value of Rs. 10/- per share.

(ii) 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.

(iii) 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 :

(a) Equity Shares :

(Rs. in Lacs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	1,83,80,156	1,838.02	1,83,80,156	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	**1,83,80,156**	**1,838.02**	**1,83,80,156**	**1,838.02**

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

(Rs. in Lacs)

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% held	No. of Shares	% held
(i) Mr. Dinesh Patidar	37,68,100	20.50%	37,68,100	20.50%
(ii) Mr. Sunil Patidar	15,62,200	8.50%	15,62,200	8.50%
(iii) Mr. Ankit Patidar	15,00,000	8.16%	15,00,000	8.16%
(iv) Shakti Irrigation India Limited	9,32,000	5.07%	9,32,000	5.07%

12.5 Shareholding of Promoters

(a) Shares held by promoters at March 31, 2023

Name of the Promoter	No. of Shares	% of total shares	% change 2022-23
(i) Mr. Dinesh Patidar	37,68,100	20.50%	-
(ii) Mr. Sunil Patidar	15,62,200	8.50%	-
(iii) Mr. Ankit Patidar	15,00,000	8.16%	-
(iv) Shakti Irrigation India Limited	9,32,000	5.07%	-
(v) Vintex Tools Private Limited	7,90,000	4.30%	1.32%
(vi) Mrs. Geeta Patidar	6,10,800	3.32%	-
(vii) Mrs. Aishwarya Patidar	3,85,400	2.10%	-
(viii) Mrs. Indira Patidar	3,34,000	1.82%	-
(ix) Mrs. Pallavi Patidar	3,41,800	1.86%	-
(x) Mrs. Seema Patidar	94,000	0.51%	-
Total	**1,03,18,300**	**56.14%**	
Total No of Shares issued and Subscribed	**1,83,80,156**		

(b) Shares held by promoters at March 31, 2022

Name of the Promoter	No. of Shares	% of total shares	% change 2021-22
(i) Mr. Dinesh Patidar	37,68,100	20.50%	-
(ii) Mr. Sunil Patidar	15,62,200	8.50%	-
(iii) Mr. Ankit Patidar	15,00,000	8.16%	-
(iv) Shakti Irrigation India Limited	9,32,000	5.07%	-
(v) Vintex Tools Private Limited	5,48,000	2.98%	0.16%
(vi) Mrs. Geeta Patidar	6,10,800	3.32%	-
(vii) Mrs. Aishwarya Patidar	3,85,400	2.10%	-
(viii) Mrs. Indira Patidar	3,34,000	1.82%	-
(ix) Mrs. Pallavi Patidar	3,41,800	1.86%	-
(x) Mrs. Seema Patidar	94,000	0.51%	-
Total	**1,00,76,300**	**54.82%**	
Total No of Shares issued and Subscribed	**1,83,80,156**		

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13 Other Equity

(Rs. in Lacs)

Particulars	Reserve & Surplus				Foreign Exchange Fluctuation Reserve	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings		
Balance as at April 1, 2021	**49.87**	**8,797.81**	**9,636.71**	**13,627.09**	**111.44**	**32,222.92**
Add/(Less):						
Appropriations/Adjustments :						
Profit for the year	-	-	-	6,481.60	-	6,481.60
Foreign currency translation reserve	-	-	-	-	67.31	67.31
Dividend Paid	-	-	-	(1,470.41)	-	(1,470.41)
Re-measurement gains/(loss) on defined benefit plans(Net of Taxes)	-	-	-	(27.91)	-	(27.91)
Unrealised Exchange Gain/(Loss)	-	-	-	206.14	-	206.14
Balance as at March 31, 2022	**49.87**	**8,797.81**	**9,636.71**	**18,816.50**	**178.76**	**37,479.65**
Add/(Less):						
Appropriations/Adjustments :						
Profit for the year	-	-	-	2,413.18	-	2,413.18
Dividend & Dividend Tax	-	-	-	(367.60)	-	(367.60)
Re-measurement gains/(loss) on defined benefit plans(Net of Taxes)	-	-	-	8.77	-	8.77
Unrealised Exchange Gain/(Loss)	-	-	-	433.47	-	433.47
Balance as at March 31, 2023	**49.87**	**8,797.81**	**9,636.71**	**21,304.32**	**178.76**	**39,967.46**

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NON-CURRENT LIABILITIES

14 Financial Liabilities

14.1 Non Current Borrowings **(Rs. in Lacs)**

Particulars	As at March 31, 2023	As at March 31, 2022
Term Loans:		
(i) Term loan from Bank		
Rupee Loan	255.00	968.79
Foreign Currency Loan	487.87	732.87
Less: Current Maturities of Long Term Borrowings	(500.00)	(771.29)
Total	**242.87**	**930.37**

(a) Interest rate of the above loan in range between 6.00% to 10.20 % per annum.
(b) Borrowings from banks are secured by way of :-
  (i) First parri passu charge on both present and/or future, movable & immoveable property, plant & equipemer
  (ii) Second parri passu charge on both present and/or future, current assets including inventories & receivables.
(c) Amount payable during next 12 months, disclosed under the head "Current Borrowings" (Note No. 17.1)
(d) **Utilisation of Borrowings taken from Bank and Financial Institution**
-The company has not taken any fresh loan from banks and financial institutions during the year.

(e) Maturity Profile of the above loan as below : **(Rs. in Lacs)**

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Within One year	500.00	771.29
(ii) Two to Five years	242.87	930.37
Total	**742.87**	**1,701.66**

14.2 Lease Liability **(Rs. in Lacs)**

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Lease Liability Payable	156.36	101.01
Total	**156.36**	**101.01**

Amount payable during next 12 months, disclosed under the head "Lease Liability [Current]" (Note No. 17.2)

Disclosures as required by Ind AS 116 'Lease' are stated below

(a) **Lease Liability Movement** **(Rs. in Lacs)**

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance /Transaction Adjustment	49.24	49.24
Add: Addition during the year	131.47	65.22
Interest on lease liability	10.88	10.88
Less: Lease rental payments	(17.61)	(12.17)
Total	**173.97**	**113.18**

(b) **Maturity Analysis of Lease Liabilities** **(Rs. in Lacs)**

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Not later than one year	17.61	12.17
(ii) Later than one year but not later than five years	70.45	48.67
(iii) Later than five years	85.91	52.34
Total	**173.97**	**113.18**

15 Provisions **(Rs. in Lacs)**

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits :		
(i) Gratuity Payable	603.16	545.97
(ii) Leave Encashment	38.11	31.13
Total	**641.27**	**577.09**

{Refer provision for employee benefits note no.35}

16 Deferred Tax Liabilities (Net) **(Rs. in Lacs)**

Particulars	As at March 31, 2023	As at March 31, 2022
Tax effect of items constituting deferred tax liabilities:		
(i) Property, plant and equipment	659.28	705.02
Tax effect of items constituting deferred tax assets:		
(i) Mat Credit Entitlement	-	(9.57)
Total	**659.28**	**695.46**

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CURRENT LIABILITIES

17 Financial liabilities

17.1 Current Borrowings (Rs. in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) **Secured Loans**		
Loans Repayable on Demand from Banks	6,597.20	8,799.46
Current Maturities of Long Term Borrowings	500.00	771.29
Total	**7,097.20**	**9,570.75**

(a) Interest rate of the above loan in range between 5.70% to 8.95%

(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 & equipen

(a) Current Maturities of Long Term Debt (Rs. in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Term Loan from Banks	500.00	771.29
Total	**500.00**	**771.29**

17.2 Lease Liability (Rs. in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Lease Liability Payable	17.61	12.17
Total	**17.61**	**12.17**

Amount payable during next 12 months.

17.3 Trade payables (Rs. in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) **Dues to Micro, Small and Medium Enterprises**		
- Other than above	2,928.66	6,359.67
Total	2,928.66	6,359.67
(ii) **Dues to other than Micro, Small and Medium Enterprises**		
- Acceptance	1,004.34	1,135.97
- Other than above	8,761.86	20,903.54
Total	9,766.21	22,039.51
Grand Total	**12,694.86**	**28,399.19**

Related party transactions & balance {Refer note no. 37}

(a) Trade Payable Ageing Schedule
(Ageing from due date of payment)
As at March 31, 2023 (Rs. in Lacs)

Range of O/s period	MSME		Other than MSME		Total
	Undisputed	Disputed	Undisputed	Disputed	
Unbilled	-	-	-	-	-
Not Due	2,172.99	-	9,554.44	-	11,727.42
Less than 1 year	765.55	-	179.89	-	945.43
1-2 years	(11.87)	-	10.91	-	(0.95)
2-3 year	1.98	-	13.05	-	15.03
> 3 years	0.01	-	7.92	-	7.93
Total	**2,928.66**	-	**9,766.21**	-	**12,694.86**

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(b) Trade Payable Ageing Schedule

(Ageing from due date of payment)

As at March 31, 2022 **(Rs. in Lacs)**

Range of O/s period	MSME		Other than MSME		Total
	Undisputed	Disputed	Undisputed	Disputed	
Unbilled	-	-	-	-	-
Not Due	2,911.37	-	14,649.39	-	17,560.76
Less than 1 year	3,448.31	-	7,324.42	-	10,772.73
1-2 years	-	-	18.11	-	18.11
2-3 year	-	-	7.06	-	7.06
> 3 years	-	-	40.53	-	40.53
Total	**6,359.67**	**-**	**22,039.51**	**-**	**28,399.19**

(c) Amounts due to Micro, Small and Medium Enterprises

Outstanding to Micro, Small and Medium Enterprise : Rs. 2928.66 Lacs Previous Year : Rs. 6359.67 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, 2023	As at March 31, 2022
(i)	Principal amount due and remaining unpaid	2,928.66	6,359.67
(ii)	Interest paid	-	-
(iii)	Interest due	-	-
(iv)	Interest accrued and due	-	-
(v)	Interest due and remaining unpaid	-	-

17.4 Other Financial Liabilities **(Rs. in Lacs)**

	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	Unclaimed Dividend *	20.33	18.32
(ii)	Security Deposits Payable	120.44	144.97
(iii)	Creditors for Service & Others	1,628.21	1,770.06
(iv)	**Other Payables :**		
	-Employee Dues	435.82	438.76
	-Others	1,362.38	2,814.90
	Total	**3,567.19**	**5,187.01**

* Investor Education and Protection Fund will be credited, as and when due.

18 Provisions **(Rs. in Lacs)**

	Particulars	As at March 31, 2023	As at March 31, 2022
	Provision for Employee Benefits :		
(i)	Gratuity Payable	44.45	35.54
(ii)	Leave Encashment	3.20	2.54
	Total	**47.65**	**38.08**

{Refer provision for employee benefits note no.35}

19 Other Current Liabilities **(Rs. in Lacs)**

	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	Advance from Customers	5,286.11	396.22
(ii)	Creditors for Capital Goods	166.40	850.47
(iii)	Duties and Taxes payable	152.00	292.09
	Total	**5,604.50**	**1,538.78**

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REVENUE FROM OPERATION

20 Sale of Products (Rs. in Lacs)

Particulars	2022-23	2021-22
(i) Domestic Sales	71,080.32	96,533.11
(ii) Export Sales	23,254.06	18,511.19
(iii) Other Operating Income	2,433.94	2,809.21
Total	96,768.33	1,17,853.51

(a) Other Operating Income includes : (Rs. in Lacs)

Particulars	2022-23	2021-22
(i) Export benefits	262.43	226.71
(ii) Scrap Sales	2,163.45	2,566.24
(iii) Income from Services	0.60	5.57
(iv) Other Operating Income	7.48	10.69
Total	2,433.94	2,809.21

1 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)

Customer Type	2022-23	2021-22
Customers under Government Projects	62,320.04	81,484.21
Industrial Customers	1,589.82	1,551.96
OEM Customers	1,133.96	3,123.00
Export Customers	23,254.06	18,511.19
Other Customers	8,470.44	13,183.14
Total	96,768.33	1,17,853.51

21 Other Income (Rs. in Lacs)

Particulars	2022-23	2021-22
(i) Interest Income	70.91	312.33
(ii) Rent Received	12.00	12.12
(iii) Others	242.38	289.69
Total	325.29	614.14

EXPENSES

22 Cost of Material Consumed (Rs. in Lacs)

Particulars	2022-23	2021-22
Opening Stock of Raw Material	9,314.98	6,054.11
Add Purchase of Raw Material	73,484.16	98,706.47
	82,799.13	1,04,760.58
Less: Closing Stock of Raw Material	8,338.61	9,314.98
Total	74,460.52	95,445.60

23 Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress (Rs. in Lacs)

Particulars	2022-23	2021-22
Inventories (at Close)		
(i) Finished Goods/Stock in Trade	8,456.60	8,157.88
(ii) Work-In-Progress	3,935.06	4,109.84
Total	12,391.66	12,267.72
Inventories (at Opening)		
(i) Finished Goods/Stock in Trade	8,157.88	4,267.31
(ii) Work-In-Progress	4,109.84	3,019.27
Total	12,267.72	7,286.57
Change in Inventories	(123.95)	(4,981.15)

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24 Employee Benefit Expenses (Rs. in Lacs)

Particulars	2022-23	2021-22
(i) Salaries, Wages and Bonus	4,876.71	4,812.65
(ii) Contribution to Provident and Other Funds	245.54	204.88
(iii) Staff Welfare Expenses	217.87	223.66
Total	**5,340.11**	**5,241.19**

25 Finance Cost (Rs. in Lacs)

Particulars	2022-23	2021-22
(i) Interest to Bank	1,122.42	1,130.92
(ii) Interest to Other	14.60	9.47
(iii) Other Borrowing Costs	779.36	427.23
Total	**1,916.39**	**1,567.62**

26 Depreciation and Amortisation Expense (Rs. in Lacs)

Particulars	2022-23	2021-22
(i) Depreciation	1,799.95	1,821.93
(ii) Amortisation	40.26	35.53
Total	**1,840.21**	**1,857.46**

27 Other Expenses (Rs. in Lacs)

Particulars	2022-23	2021-22
(i) Power & Fuel	214.78	241.46
(ii) Job Work Expenses	67.07	64.84
(iii) Clearing & Forwarding Charges	102.13	113.19
(iv) Freight Charges	1,424.59	1,454.32
(v) Travelling Expenses	472.52	237.15
(vi) Advertising Expenses	343.59	198.09
(vii) ECGC Premium	29.60	27.60
(viii) Selling & Distribution Expenses	4,391.51	5,550.47
(ix) Legal, professional and consultancy charges	440.38	406.98
(x) Rent	231.66	185.67
(xi) Manufacturing Expenses	429.08	493.70
(xii) Auditors Remuneration	13.51	13.60
(xiii) Corporate Social Responsibility Expenses	204.22	75.96
(xiv) Rates and taxes	39.39	170.45
(xv) Repair & Maintenance	111.21	135.59
(xvi) Conveyance Expenses	259.00	267.76
(xvii) Communication Expenses	361.26	209.82
(xviii) Directors Remuneration	997.41	958.46
(xix) Office & Administrative Expenses	117.42	109.84
(xx) Bad Debts Written off	14.37	24.04
(xxi) Provision for Doubtful Debts / Security Deposits	67.99	75.73
(xxii) Donations and Contributions	0.75	0.05
(xxiii) Software Maintenance Expenses	93.90	80.20
(xxiv) Miscellaneous Expenses	8.26	7.73
Total	**10,435.61**	**11,102.73**

27.1 Payment To Auditors : (Rs. in Lacs)

Particulars	2022-23	2021-22
(i) For Audit	10.00	10.00
(ii) For Taxation Matters	-	-
(iii) For Other Services-Including components auditor	3.51	3.60
Total	**13.51**	**13.60**

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28 Earnings Per Share (Rs. in Lacs)

Particulars	2022-23	2021-22
Profit / (Loss) for the year as per Statement of Profit and Loss	**2,413.18**	**6,481.60**
Weighted Average Number of Shares	1,83,80,156	1,83,80,156
Weighted average number of equity shares, (nos) for Basic DPS	1,83,80,156	1,83,80,156
Face Value of Share (Rs.)	10.00	10.00
Basic Earning Per Share	13.13	35.26
Diluted Earning Per Share	13.13	35.26

29 Proposed Dividend

A dividend at the rate of 20% i.e. Rs.2/- per equity share is recommended by the Board of Directors at their meeting held on May 05, 2023 which is subject to approval at the ensuing Annual General Meetings, and if approved will be payable within the statutory time limits of 30 Days.

30 Research & Development (Rs. in Lacs)

Nature of Expenditure	2022-23	2021-22
(i) Capital Expenditure	66.55	113.92
(ii) Revenue Expenditure	299.01	338.62
Total Expenditure Incurred	**365.57**	**452.54**
Less: Income Earned by R&D	-	0.01
Net Expenditure Incurred	**365.57**	**452.53**

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)

31 Contingent Liabilities (Rs. in Lacs)

Particulars	2022-23	2021-22
(i) Unexpired Letter of Credit	3,821.19	15,926.01
(ii) Commercial Tax Demand under Dispute	73.58	73.58
(iii) Income Tax Demand Under Dispute	3,883.54	3,883.54
(iv) Custom Duty Demand Under Dispute	1,387.44	1,387.44
Less : Provision for Doubtful Assets	(280.49)	(280.49)
Total	**8,885.26**	**20,990.08**

32 Expenditure in Foreign Currency on Account of : (Rs. in Lacs)

Particulars	2022-23	2021-22
(i) Travelling Expenses	122.33	51.83
(ii) Advertisement Expenses	31.23	-
(iii) Commission on Sales	186.00	2.84
(iv) Software Development Expenses	10.86	10.53
(v) Legal, Professional and Consultancy charges	206.35	-
(vi) Testing & Other Charges	531.37	-
Total	**1,088.15**	**65.20**

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33 Other Amendments with respect to Schedule III :

(i) The company does not have any transactions with companies struck off.

(ii) The company is not declared as wilful defaulter by any bank or financial Institution or other lender.

(iii) The company have not traded or invested in Crypto currency or Virtual Currency during the year.

(iv) There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237of the Companies Act, 2013.

(v) The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

(vi) The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(vii) The company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(viii) The Company has not advance or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ix) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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34 Corporate Social Responsibility (CSR)

The company is covered under section 135 of the companies act, the following is the disclosed with regard to CSR activities:-

(Rs. in Lacs)

	Particulars	2022-23	2021-22
1	**Gross amount required to be spent by the company during the year.**	204.22	75.96
2	**Amount approved by the Board to be spent during the year:**		
	(a) Ongoing	-	-
	(b) Other than ongoing	204.22	75.96
	Total	**204.22**	**75.96**
3	**Amount spent during the year on:**		
	(a) Construction/acquisition of any asset	-	-
	(b) On purposes other than (a) above	204.22	75.96
	Total	**204.22**	**75.96**
4	**Shortfall at the end of the year,**	-	-
5	**Total of previous years shortfall,**	-	-
6	**Reason for shortfall-**	N.A.	N.A.
7	**Nature of CSR activities-**		
	(a) I&C Charges of 5hp CSR Site Mandu	-	0.12
	(b) Donation To Homeopathic Rogi Kalyan	-	0.50
	(c) Shakti Foundation	115.97	75.35
	(d) Expenditure for National Apprenticeship Promotion Scheme (NAPS)	79.42	-
	(e) Expenditure for Rural Devlopment	8.83	-
	Total	**204.22**	**75.96**
8	**Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,**		
	(a) Shakti Foundation	115.97	75.35
	Total	**115.97**	**75.35**
9	**where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.**	-	-
10	**Disclosures under section 135(5) and 135(6)**		
	A In case of S. 135(5) unspent amount		
	Opening Balance	-	-
	Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
	Amount required to be spent	-	-
	Amount spent during the year		
	Shortfall / (Excess)	-	-

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35 Employee Benefit Obligations

35.1 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	2022-23	2021-22
Employers Contribution to Provident Fund/ Pension Fund	128.46	129.87
Employers Contribution to ESIC	1.13	3.02
Total	**129.59**	**132.89**

35.2 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	
	2022-23	2021-22	2022-23	2021-22
Present value of obligation at the end of year	41.31	33.67	659.64	607.32
Fair value of plan assets at the end of year	-	-	12.03	25.82
Net liability recognized in the Balance Sheet	**41.31**	**33.67**	**647.61**	**581.50**

The amounts recognized in the Statement of Profit and Loss are as follows: (Rs. In Lacs)

Particulars	Leave Encashment		Gratuity	
	2022-23	2021-22	2022-23	2021-22
Current Service Cost	8.62	1.58	71.29	39.64
Interest Cost	2.53	4.18	43.83	37.31
Past Service Cost	-	-	-	-
Benefits Paid	-	-	-	-
Recognized Net Actuarial (Gain)/ Loss	0.16	(28.85)	-	-
Total, included in Employee Benefit Expenses	**11.31**	**(23.09)**	**115.12**	**76.95**

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	
	2022-23	2021-22	2022-23	2021-22
Defined benefit obligation at beginning of the year	33.67	59.11	607.32	546.24
Current Service Cost	8.62	1.58	71.29	39.64
Past Service Cost	-	-	-	-
Interest Cost	2.53	4.00	45.61	38.73
Benefits Paid	(3.67)	(2.18)	(64.47)	(37.21)
Actuarial (Gain)/ Loss	0.16	(28.85)	(12.14)	19.92
Defined benefit obligation at the end of the year	**41.31**	**33.67**	**647.61**	**607.32**

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The Financial assumptions used in accounting for the Gratuity Plan & Leave Encashment are set out below: **(Rs. In Lacs)**

Particulars	Leave Encashment		Gratuity	
	2022-23	2021-22	2022-23	2021-22
(i) Discount Rate	7.36%	7.51%	7.36%	7.51%
(ii) Salary Escalation Rate	6.00%	6.00%	6.00%	6.00%
(iii) Expected Rate of Return on Plan Assets	None	None	7.44%	7.44%

The Demographic assumptions used in accounting for the gratuity plan & leave encashment are set out below: **(Rs. In Lacs)**

Particulars	Leave Encashment		Gratuity	
	2022-23	2021-22	2022-23	2021-22
(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	2023	100 Basis Points	(80.54)	97.09
	2022	100 Basis Points	(75.85)	91.52
(ii) Salary Growth Rate	2023	100 Basis Points	97.45	(82.18)
	2022	100 Basis Points	92.00	(77.50)

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	2023	100 Basis Points	(5.42)	6.58
	2022	100 Basis Points	(4.77)	6.05
(ii) Salary Growth Rate	2023	100 Basis Points	6.60	(5.28)
	2022	100 Basis Points	5.90	(4.87)

Gratuity : **(Rs. In Lacs)**

Expected Cash Flow for the Next Ten Years	March 31, 2023	March 31, 2022
Year 2023	-	36.03
Year 2024	44.99	25.61
Year 2025	18.75	20.97
Year 2026	30.00	32.75
Year 2027	34.77	38.27
Year 2028	40.48	-
Year 2028 - 2032	-	357.15
Year 2029 - 2033	435.27	-

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.

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36 Income Tax Expenses

(Rs. In Lacs)

	Particulars	2022-23	2021-22
(i)	**Profit or Loss Section**		
	Current Tax Expenses on Profit before tax	915.16	2,224.81
	(Short)/Excess provision for tax relating to prior period	(67.44)	(0.28)
	Deferred Tax	(36.17)	(471.93)
	Total Income Tax Expenses Recognised in Statement of Profit & Loss	**811.55**	**1,752.60**
(ii)	**Other Comprehensive Income (OCI) Section**		
	Income tax charged to OCI	**(2.76)**	**9.37**
(iii)	**Reconciliation of Effective Tax Rate**		
	A) Profit Before Tax	3,224.73	8,234.20
	B) Enacted Tax Rate In India	25.17%	25.17%
	C) Expected Tax Expenses	811.60	2,072.38
	D) Overseas Tax	106.02	108.49
	E) Effect of differential tax rates	4.62	27.78
	F) Others	(17.27)	(150.17)
	G) **Tax Effect of**		
	- Difference Between Book Depreciation And Tax Depreciation	292.00	286.51
	- Other Provisions	(240.54)	374.38
	H) **Net Adjustment**	**51.47**	**660.88**
	I) Tax Expenses/(Saving) on Net Adjustment	12.95	166.33
	J) Current Tax Expenses Recognised In Statement of Profit & Loss (C+F+I)	917.92	2,224.81
	K) Excess/(Short) Provision for tax relating to prior year	(67.44)	(0.28)
	L) Changes on Account of Deferred Tax	(36.17)	(471.93)
	Net Current Tax Expenses Recognised in Statement of Profit & Loss	**811.55**	**1,752.60**

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37 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) Vintex Tools Pvt. Ltd.
(iii) Arsh Industrial Solutions Pvt. Ltd.
(iv) Shakti Irrigation Pvt. Ltd.
(v) Gajraj Enterprises Private Limited
(vi) SPIL Energy LLP (Earlier known as "SPIL Energy Limited")

2. Key Managerial Personnel :
(i) Mr. Dinesh Patidar - Managing Director
(ii) Mr. Sunil Patidar - Whole Time Director
(iii) Mr. Ramesh Patidar - Whole Time Director
(iv) Mr. Dinesh Patel: - Chief Financial Officer
(v) Mr. Ravi Patidar: - Company Secretary & Compliance Officer
(vi) Mrs. Indira Patidar - Whole Time Director
(vii) Mr. Vinay Kumar Karma- Chief Financial Officer (Shakti Energy Solutions Pvt. Ltd.)
(viii) Miss. Mansi Birla - Company Secretary (Shakti Energy Solutions Pvt. Ltd.)
(ix) Mr. Sunil Ghode-Whole Time Director (Shakti Energy Solutions Pvt. Ltd.)
(x) Mr Mukesh patidar-Whole Time Director (Shakti Ev Mobility Private Limited)
(xi) Mr.Nilesh Solanki - Whole Time Director (Shakti Ev Mobility Private Limited)

(ii) Transaction with Related Parties :

(Rs. In Lacs)

S. No	Name of Party	Nature of Transaction	2022-23	2021-22
1	Shakti Irrigation India Ltd.	Purchase of Components	1,415.58	1,497.43
		Sale of Pumps & Motors & other material	4.86	6.15
		Sale of Assets	0.50	-
2	Vintex Tools Pvt. Ltd.	Purchase of Dies & Other material	3.69	46.83
		Purchase of Assets	1,006.98	1,045.57
		Sale of Spare parts	18.16	23.35
3	Arsh Industrial Solutions Pvt. Ltd.	Purchase of Nuts & Bolts	1,067.26	1,137.28
		Sale of Spare Parts	87.23	155.76
4	Shakti Irrigation Pvt. Ltd.	Purchase of Pipes	2,081.49	2,796.33
		Sale of Pumps, Motors & other material	1.09	29.39
		Income from Rent	12.00	12.12
5	Mr. Dinesh Patidar	Remuneration	900.00	900.00
6	Mr. Sunil Patidar	Remuneration	12.00	12.00
		Other Allowances	-	0.62
7	Mr. Ramesh Patidar	Remuneration	44.34	44.34
		Other Allowances	0.87	1.51
8	Mr. Dinesh Patel	Remuneration	24.96	21.89
9	Mr. Ravi Patidar	Remuneration	14.27	13.00
10	Mr. Vinay Kumar Karma	Remuneration **(w.e.f 20-10-2022)**	3.12	-
11	Miss. Mansi Birla	Remuneration **(w.e.f 15-06-2022)**	3.21	-
12	Mr. Sunil Ghode	Remuneration **(w.e.f 27-03-2023)**	0.20	-
13	Mr. Mukesh Patidar	Remuneration **(w.e.f 11-03-2023)**	1.66	-
14	Mr. Nilesh Solanki	Remuneration **(w.e.f 11-03-2023)**	0.55	-

(iii) Related Party Balance :

(Rs. In Lacs)

S. No	Nature	Name of Party	As at March 31, 2023	As at March 31, 2022
1	Trade Receivables	Shakti Irrigation India Ltd.	1.83	2.43
		Vintex Tools Pvt. Ltd.	0.07	5.97
		Arsh Industrial Solutions Pvt. Ltd.	75.12	54.66
		Shakti Irrigation Private Ltd.	-	3.91
2	Trade Payables	Shakti Irrigation India Ltd.	11.81	667.25
		Vintex Tools Pvt. Ltd.	117.12	971.45
		Arsh Industrial Solutions Pvt. Ltd.	259.05	174.42
		Shakti Irrigation Private Ltd.	3.87	477.32

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38 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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial Assets at Amortised Cost				
Cash and Bank Balances	1,741.27	4,460.11	1,741.27	4,460.11
Investments	0.02	0.02	0.02	0.02
Other Financial Assets	1,411.12	612.83	1,411.12	612.83
Trade Receivables	24,368.22	38,277.58	24,368.22	38,277.58
Total	**27,520.63**	**43,350.55**	**27,520.63**	**43,350.55**
Financial Liabilities at Amortised Cost				
Trade Payables	12,694.86	28,399.19	12,694.86	28,399.19
Borrowings	7,340.08	10,501.12	7,340.08	10,501.12
Other Financial Liabilities	3,741.17	5,300.18	3,741.17	5,300.18
Total	**23,776.11**	**44,200.49**	**23,776.11**	**44,200.49**

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 March 31, 2023			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets at Amortised Cost				
Cash and Bank Balances	1,741.27	-	-	1,741.27
Investments	0.02	-	-	0.02
Other Financial Assets	1,411.12	-	-	1,411.12
Trade Receivables	24,368.22	-	-	24,368.22
Financial Liabilities at Amortised Cost				
Trade Payables	12,694.86	-	-	12,694.86
Borrowings	7,340.08	-	-	7,340.08
Other Financial Liabilities	3,741.17	-	-	3,741.17

(Rs. in Lacs)

Particulars	As at March 31, 2022			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets at Amortised Cost				
Cash and Bank Balances	4,460.11	-	-	4,460.11
Investments	0.02	-	-	0.02
Other Financial Assets	612.83	-	-	612.83
Trade Receivables	38,277.58	-	-	38,277.58
Financial Liabilities at Amortised Cost				
Trade Payables	28,399.19	-	-	28,399.19
Borrowings	10,501.12	-	-	10,501.12
Other Financial Liabilities	5,300.18	-	-	5,300.18

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38 Financial Instruments (Contd.)

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

(iii) The Company uses debt equity 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 Equity Ratio is as follows:

(Rs. In Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Debt (A)	7,340.08	10,501.12
Equity (B)	41,805.47	39,317.67
Debt Equity Ratio (A/B)	**0.18**	**0.27**

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, 2023	As at March 31, 2022
Interest bearing borrowings:		
On Demand	6,597.20	8,799.46
Less than 180 Days	250.00	385.64
181-365 Days	250.00	385.64
More than 365 Days	242.87	930.37

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).

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Foreign Currency Exposures : **(Rs. In Lacs)**

Particulars	Foreign Currency	As at March 31, 2023		As at March 31, 2022	
		Foreign Curr. Amount	Amount in Rs.	Foreign Curr. Amount	Amount in Rs.
I. Trade receivables/Advance from customer :	USD	55.47	4,545.76	43.02	3,234.95
	EUR	1.86	160.71	0.49	40.50
	Total		**4,706.48**		**3,275.45**
II. Borrowing balances :	USD	6.49	487.87	10.19	732.87
	Total		**487.87**		**732.87**
III. Trade payables :	USD	13.31	1,090.88	14.74	1,108.60
	EUR	1.03	88.92	2.18	179.25
	Total		**1,179.81**		**1,287.85**

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, 2023			
Based on YOY change between F22 & F23	USD	+10%	296.70
	USD	-10%	(296.70)
	EUR	+10%	7.18
	EUR	-10%	(7.18)
March 31, 2022			
Based on YOY change between F21 & F22	USD	+10%	139.35
	USD	-10%	(139.35)
	EUR	+10%	(13.87)
	EUR	-10%	13.87

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, 2023	As at March 31, 2022
Secured Loans :		
Loans repayable taken from Banks:	6,597.20	8,799.46
Total	**6,597.20**	**8,799.46**

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:

(Rs. In Lacs)

Particulars	Increase / Decrease in Basis Points	Effect on Profit Before Tax(Loss)
As at March 31, 2023	+100	(65.97)
	-100	65.97
As at March 31, 2022	+100	(87.99)
	-100	87.99

39 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: (Rs. In Lacs)

Particular	2022-23	2021-22
1. Segment Revenue		
India	1,02,946.91	1,28,937.21
Overseas	13,683.64	11,552.11
Total Segment Revenue	**1,16,630.55**	**1,40,489.32**
Inter segment sales	(19,536.93)	(22,021.67)
Income from Operations	**97,093.62**	**1,18,467.65**
2. Segment Results		
Profit/(Loss) before Finance Costs, Exceptional Items & Tax		
India	4,191.55	8,706.25
Overseas	949.57	1,095.57
Total	**5,141.12**	**9,801.82**
Less: Finance Cost	1,916.39	1,567.62
Profit before Exceptional Items & Tax	**3,224.73**	**8,234.20**
Exceptional Items	-	-
Profit before Tax	**3,224.73**	**8,234.20**
3. Capital Employed		
(Segment Assets)		
India	65,954.43	80,691.66
Overseas	6,579.86	5,675.91
Total Segment Assets	**72,534.29**	**86,367.57**
(Segment Liabilities)		
India	29,488.80	45,853.53
Overseas	1,240.01	1,196.38
Total Segment Liabilities	**30,728.81**	**47,049.91**
Net Capital Employed		
(Segment Assets-Segment Liabilities)		
India	36,465.63	34,838.13
Overseas	5,339.85	4,479.53
Total Capital Employed	**41,805.48**	**39,317.66**

PGS & ASSOCIATES ★ FRN 0122384W MUMBAI ★ Chartered Accountants

Shakti Pumps (India) Limited
CIN : L29120MP1995PLC009327
Notes to the Consolidated financial statements for the year ended March 31, 2023

40 Additional Information Regarding Subsidiaries as per Schedule III of the Companies Act, 2013 **(Rs. In Lacs)**

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. 2022-23				
a) Parent				
Shakti Pumps India Limited	78.29%	32,729.52	64.77%	1,562.99
b) Subsidiaries				
Indian				
Shakti Energy Solutions Pvt. Ltd.	6.96%	2,910.10	2.04%	49.34
Foreign				
Shakti Pumps LLC, USA	5.94%	2,481.99	12.77%	308.05
Shakti Pumps FZE , UAE	6.81%	2,845.43	21.37%	515.67
Shakti EV Mobility Private Limited (Formerly known as Shakti Green Industries Private Limited)	1.98%	826.00	0.00%	-
Shakti Pumps (Shanghai) Limited, China	0.01%	4.39	-0.15%	(3.71)
Shakti Pumps (Bangladesh) Ltd., Bangladesh	0.02%	8.04	-0.79%	(19.17)
c) Minority Interest				
i) Indian	-	-	-	-
ii) Foreign	-	-	-	-
Total	**100%**	**41,805.48**	**100%**	**2,413.18**
F.Y. 2021-22				
a) Parent				
Shakti Pumps India Limited	81.19%	31,922.46	72.57%	4,703.84
b) Subsidiaries				
Indian				
Shakti Energy Solutions Pvt. Ltd.	7.29%	2,864.67	12.76%	826.82
Foreign				
Shakti Pumps LLC, USA	5.91%	2,324.63	6.24%	404.61
Shakti Pumps FZE , UAE	5.39%	2,117.54	8.42%	545.82
Shakti Green Industries Pvt Ltd.	0.13%	51.00	0.00%	-
Shakti Pumps (Shanghai) Limited, China	0.02%	8.09	-0.04%	(2.38)
Shakti Pumps (Bangladesh) Ltd., Bangladesh	0.07%	29.28	0.04%	2.90
c) Minority Interest				
i) Indian	-	-	-	-
ii) Foreign	-	-	-	-
Total	**100%**	**39,317.68**	**100%**	**6,481.60**

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
Chartered Accountants
ICAI Firm Registration No. : 122384W

PHGandhi

Premal Gandhi
Partner
M.No.111592
UDIN: 23111592BGXFCU5609

PGS & ASSOCIATES FRN 0122384W MUMBAI Chartered Accountants

Place: Pithampur
Date: May 05, 2023

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

Dinesh Patel
Chief Financial Officer

Ravi Patidar
Company Secretary
M. No. ACS 32328

SHAKTI PUMPS (INDIA) LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL YEAR 2021-22

PGS & Associates
Chartered Accountants
301, Laxmi Krupa,3rd Lokmanya Tilak Colony Road, Near Yogi Sabhagruh, Dadar (East),
Mumbai 400014. Tele ✡24133171✡ 24182121✡E-mail: premal@pgsca.in

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 2022, 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 2022, 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 there under, 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.

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.

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Sr. No.	Key Audit Matter	Auditor's Response
1	Evaluation of uncertain tax positions The Group has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 32 to the Consolidated Financial Statements	**<u>Principal Audit Procedures</u>** Obtained details of completed tax assessments and demands for the year ended March 31, 2022, 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, 2021 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 communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other information.

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

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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 skepticism 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)(i) 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.

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- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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Chartered Accountants

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 statement, whose financial statements reflect total assets of Rs. 12,294.60 lacs as on 31 March 2022. total revenues of Rs. 27,020.23 lacs, total net (loss)/profit after tax of Rs. 1,777.77 lacs and total comprehensive income/(loss) of Rs. 1,984.22 lacs for the period from 01 April 2021 to March 31, 2022, respectively as considered in the Statements. These financial statements 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 opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above 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 2022 taken on record by the Board of Directors including two Companies incorporated in India included in the Consolidated financial statement , none of the directors of parent is

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disqualified as on 31 March 2022, 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) 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 32;

   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;

   iv.

      i. The Management of the Parent which is a company incorporated in India, whose financial statements has been audited under the Act, has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company, its subsidiaries and its associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, its subsidiaries and its associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      ii. The Holding Company Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company, its subsidiaries and its associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its subsidiaries and its associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide

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any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

iii. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

As stated in **note 30** to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuring Annual General Meeting. The dividend declared is in accordance with section 123 of the Act, to the extent it applies to declaration of dividend.

The final dividend proposed in the previous year, declared and paid by the Parent during the year is in accordance with section 123 of the Act, as applicable.

With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary auditors included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in the CARO report of the subsidiaries.

For PGS & Associates
Chartered Accountants
Firm Registration Number: 122384W
UDIN: 22111592AIGKWP3921

PHGandhi

Premal Gandhi
Partner
Membership Number: 111592

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FRN
0122384W
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Chartered Accountants

Place: Mumbai
Date: May 02, 2022

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, 2022, 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.

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FRN 0122384W
MUMBAI
Chartered Accountants

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

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, 2022, 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.

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PGS & Associates

Chartered Accountants

For PGS & Associates
Chartered Accountants
Firm Registration Number: 122384W
UDIN: 22111592AIGKWP3921

PHGandhi

Premal Gandhi
Partner
Membership Number: 111592

PGS & ASSOCIATES * FRN 0122384W MUMBAI * Chartered Accountants

Place: Mumbai
Date: May 02, 2022

SHAKTI PUMPS (INDIA) LIMITED
CIN : L29120MP1995PLC009327
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

(Rs. in Lacs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
I ASSETS			
1 Non - Current Assets			
(a) Property, Plant and Equipment	3	14,109.18	14,313.41
(b) Capital Work-In-Progress	3	49.53	57.92
(c) Intangible Assets	4	463.09	421.88
(d) Intangible Assets Under Development	4	10.89	18.01
(e) Financial Assets	5		
(i) Investments	5.1	0.02	0.02
(ii) Other Financial Assets	5.2	243.79	247.17
(f) Non-Current Tax Assets (Net)	6	24.58	1,734.43
(g) Other Non-Current Assets	7	206.55	160.96
Total Non-Current Assets		**15,107.63**	**16,953.80**
2 Current Assets			
(a) Inventories	8	21,582.69	13,340.68
(b) Financial Assets	9		
(i) Trade Receivables	9.1	38,277.58	26,456.75
(ii) Cash and Cash Equivalents	9.2	3,124.99	2,157.43
(iii) Bank Balance Other than Above	9.3	1,335.12	1,989.84
(iv) Other Financial Assets	9.4	369.05	383.91
(c) Current Tax Assets (Net)	10	114.79	-
(d) Other Current Assets	11	6,455.72	5,775.06
Total Current Assets		**71,259.94**	**50,103.67**
Total Assets		**86,367.57**	**67,057.47**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12	1,838.02	1,838.02
(b) Other Equity	13	37,479.65	32,222.92
Total Equity		**39,317.67**	**34,060.94**
Liabilities			
1 Non-Current Liabilities			
(a) Financial Liabilities	14		
(i) Borrowings	14.1	930.37	1,991.66
(ii) Lease Liability	14.2	101.01	43.75
(b) Provisions	15	577.09	564.36
(c) Deferred Tax Liabilities (Net)	16	695.46	1,155.72
Total Non-Current Liabilities		**2,303.93**	**3,755.49**
2 Current Liabilities			
(a) Financial Liabilities	17		
(i) Borrowings	17.1	9,570.75	5,883.46
(ii) Lease Liability	17.2	12.17	5.49
(iii) Trade Payables	17.3		
- Dues of Micro and Small Enterprise		6,359.67	5,938.94
- Dues of Other than Micro and Small Enterprise		22,039.51	12,480.92
(iv) Other Financial Liabilities	17.4	5,187.01	3,990.04
(b) Provisions	18	38.08	17.03
(c) Other Current Liabilities	19	1,538.78	592.34
(d) Current Tax Liabilities (Net)	20	-	332.82
Total Current Liabilities		**44,745.97**	**29,241.04**
Total Equity And Liabilities		**86,367.57**	**67,057.47**
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 43		

As per our report of even date

For PGS & Associates
Chartered Accountants
ICAI Firm Registration No. : 122384W

PMGandhi

Premal Gandhi
Partner
M.No.111592
UDIN: 22111592AIGKWP3921

PGS & ASSOCIATES FRN 0122384W MUMBAI Chartered Accountants

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

Dinesh Patel
Chief Financial Officer

Ravi Patidar
Company Secretary
M. No. ACS 32328

Place: Pithampur
Date: May 02, 2022

SHAKTI PUMPS (INDIA) LIMITED

CIN : L29120MP1995PLC009327

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in Lacs, unless otherwise stated)

	Particulars	Note No.	2021-22	2020-21
I	Revenue from Operations	21	1,17,853.51	92,966.14
II	Other Income	22	614.14	377.12
III	**Total Income (I+II)**		**1,18,467.65**	**93,343.26**
IV	**Expenses**			
	Cost of Materials Consumed	23	95,445.60	63,838.80
	Purchase of Stock-in-Trade		-	-
	Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	24	(4,981.15)	1,829.54
	Employee Benefits Expenses	25	5,241.19	4,363.71
	Finance Costs	26	1,567.62	1,621.14
	Depreciation and Amortisation Expense	27	1,857.46	1,836.46
	Other Expenses	28	11,102.73	8,728.98
	Total Expenses (IV)		**1,10,233.45**	**82,218.63**
V	**Profit/(loss) before Exceptional Items and Tax (III-IV)**		**8,234.20**	**11,124.63**
VI	Exceptional Items		-	-
VII	**Profit/ (loss) before Tax(V-VI)**		**8,234.20**	**11,124.63**
VIII	**Tax Expense:**			
	(1) Current Tax		2,224.81	2,491.92
	(2) Excess/Short Provision of Tax		(0.28)	-
	(3) Deferred Tax		(471.93)	1,074.07
IX	**Profit/(loss) for the year (VII-VIII)**		**6,481.60**	**7,558.64**
X	**Other Comprehensive Income**			
(A)	(i) Items that will not be reclassified to profit or loss			
	Re-measurement gains/(loss) on defined benefit plans		(37.28)	71.37
	(ii) Income tax relating to items that will not be reclassified to profit or loss		9.37	(24.70)
(B)	(i) Items that will be reclassified to profit or loss			
	Unrealised exchange gain/(loss)		206.14	(111.85)
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Total Comprehensive Income for the year (X)		**178.23**	**(65.19)**
XI	**Total Comprehensive Income /Loss for the year (IX+X)**		**6,659.83**	**7,493.46**
XII	Earnings per equity share [nominal value of share Rs. 10/-]	29		
	(1) Basic		35.26	41.12
	(2) Diluted		35.26	41.12

As per our report of even date

For PGS & Associates
Chartered Accountants
ICAI Firm Registration No. : 122384W

PHGandhi

Premal Gandhi
Partner
M.No.111592
UDIN: 22111592AIGKWP3921

PGS & ASSOCIATES FRN 0122384W MUMBAI Chartered Accountants

Place: Pithampur
Date: May 02, 2022

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

Dinesh Patel
Chief Financial Officer

Ravi Patidar
Company Secretary
M. No. ACS 32328

SHAKTI PUMPS (INDIA) LIMITED
CIN : L29120MP1995PLC009327
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in Lacs, unless otherwise stated)

	Particulars	For the Year Ended March 31, 2022		For the Year Ended March 31, 2021	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit & loss before tax as per profit & Loss Account		**8,234.20**		**11,124.63**
	Adjusted For :				
	Depreciation and Amortisation Expense	1,857.46		1,836.46	
	Interest Income	(312.33)		(153.26)	
	Interest Paid	1,140.38		1,235.39	
	Provision for Doubtful Debts/ Security Deposits	75.73		61.25	
	Re-measurement (gains) / loss on defined benefit plans	(37.28)		71.37	
	Unrealised exchange (gain)/loss (net)	273.46		(59.38)	
	Profit /Loss on sale of property, plant and equipment (net)	2.57		2.67	
			2,999.98		2,994.50
	Operating Profit Before Working Capital Changes		**11,234.18**		**14,119.13**
	Adjusted For :				
	(Increase)/Decrease in Trade and Other Receivables	(12,558.66)		(14,317.31)	
	(Increase)/Decrease in Inventories	(8,242.01)		1,114.48	
	Increase/(Decrease) in Trade and other payables	12,207.25		15,446.58	
			(8,593.42)		2,243.75
	Net Cash Flow From Operating Activities		**2,640.76**		**16,362.88**
	Income taxes (paid)/refund (net)	(941.25)		(2,242.47)	
			(941.25)		(2,242.47)
	Net Cash Flow From/(Used In) Operating Activities (A)		**1,699.51**		**14,120.41**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property, Plant and Equipment	(2,087.71)		(1,249.17)	
	Purchase of Intangible Assets	(73.80)		(64.49)	
	Movement in Capital Work-in-Progress	15.51		(6.43)	
	Sale of Fixed Assets	464.50		58.48	
	Movement in Advance for Capital Goods	(7.00)		(2.84)	
	Interest Received	273.43		77.96	
	(Deposits)/Redemption with banks	654.71		1,201.44	
	Net Cash Flow From/(Used In) Investing Activities (B)		**(760.35)**		**14.95**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Long Term Borrowings	-		290.00	
	Repayment of Long term borrowings	(1,258.63)		(782.81)	
	Proceeds/(Repayment) from Short Term Borrowings (Net)	3,884.63		(10,924.14)	
	Dividend Paid including tax thereon	(1,470.41)		-	
	Interest Paid	(1,127.18)		(1,221.32)	
	Net Cash Flow From/(Used In) Financing Activities (C)		**28.40**		**(12,638.28)**
	Net Change in Cash & Cash Equivalents (A+B+C)		967.56		1,497.08
	Cash & Cash Equivalents at the beginning of the year		2,157.43		660.35
	Cash & Cash Equivalents at the end of the year		**3,124.99**		**2,157.43**

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

(Rs. in Lacs, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash in Hand	2.37	4.34
Balance with Scheduled Banks	2,181.86	570.14
Fixed Deposit with Maturity Less than three months	940.76	1,582.95
Total	**3,124.99**	**2,157.43**

As per our report of even date
For PGS & Associates
Chartered Accountants
ICAI Firm Registration No. : 122384W

PGS & ASSOCIATES FRN 0122384W MUMBAI Chartered Accountants

Premal Gandhi
Partner
M.No.111592
UDIN: 22111592AIGKWP3921

Place: Pithampur
Date: May 02, 2022

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

Dinesh Patel
Chief Financial Officer

Ravi Patidar
Company Secretary
M. No. ACS 32328

SHAKTI PUMPS (INDIA) LIMITED
CIN : L29120MP1995PLC009327
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A Equity share capital

Particulars	As at March 31, 2022			As at March 31, 2021		
	Number of shares	Face value (INR)	Amount (Rs. in Lacs)	Number of shares	Face value (INR)	Amount (Rs. in Lacs)
Balance as at beginning of the year	1,83,80,156	10.00	1,838.02	1,83,80,156	10.00	1,838.02
Changes due to prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	1,83,80,156	10.00	1,838.02	1,83,80,156	10.00	1,838.02
Changes during the current year	-	-	-	-	-	-
Balance at the end of the year	**1,83,80,156**	**10.00**	**1,838.02**	**1,83,80,156**	**10.00**	**1,838.02**

B Other Equity

(Rs. in Lacs)

Particulars	Reserve & Surplus				Foreign Exchange Fluctuation Reserve	Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings			
Balance as at April 1, 2020	**49.87**	**8,797.81**	**9,636.71**	**6,145.82**	**58.97**	**(12.18)**	**24,677.00**
Profit for the year	-	-	-	7,558.64	-	-	7,558.64
Foreign currency translation	-	-	-	-	52.47	-	52.47
Remeasurement Gain/(Loss)	-	-	-	-	-	46.67	46.67
Unrealised Gain/(Loss)	-	-	-	-	-	(111.85)	(111.85)
Balance as at March 31, 2021	**49.87**	**8,797.81**	**9,636.71**	**13,704.47**	**111.44**	**(77.37)**	**32,222.92**
Profit for the year	-	-	-	6,481.60	-	-	6,481.60
Foreign currency translation	-	-	-	-	67.31	-	67.31
Dividend & Dividend Tax Paid	-	-	-	(1,470.41)	-	-	(1,470.41)
Remeasurement Gain/(Loss)	-	-	-	-	-	(27.91)	(27.91)
Unrealised Gain/(Loss)	-	-	-	-	-	206.14	206.14
Balance as at March 31, 2022	**49.87**	**8,797.81**	**9,636.71**	**18,715.65**	**178.76**	**100.86**	**37,479.65**

As per our report of even date
For PGS & Associates
Chartered Accountants
ICAI Firm Registration No. : 122384W

PHGandhi

Premal Gandhi
Partner
M.No.111592
UDIN: 22111592AIGKWP3921

PGS & ASSOCIATES ★ Chartered Accountants ★ FRN 0122384W MUMBAI

Place: Pithampur
Date: May 02, 2022

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
Notes to the Consolidated Financial Statements for the year ended March 31, 2022

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 2022:

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 (Bangladesh) Ltd.	Bangladesh	100%
Shakti Pumps (Shanghai) Ltd.	China	100%
Shakti Energy Solutions Pvt. Ltd.	India	100%
Shakti Green Industries Pvt. Ltd. (Incorporated on 16th December, 2021)	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".

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.

PGS & ASSOCIATES FRN 0122384W MUMBAI Chartered Accountants

e) The accounts of Shakti Pumps LLC, USA is 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) 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 recognised 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.

PGS & ASSOCIATES
FRN 012384W
MUMBAI
Chartered Accountants

Shakti Pumps (India) Limited
CIN : L29120MP1995PLC009327
Notes to the consolidated financial statements for the year ended March 31, 2022

NON - CURRENT ASSETS
3. Property Plant and Equipment and Capital Work-In-Progress

(Rs. in Lacs)

Particulars	Other than Research and Development								Research and Development					Right of use Asset-Leases	Total	Capital work-in-progress
	Freehold Land	Buildings	Plant & Machinery	Die and Tools	Computers	Furniture & Fixtures	Motor Vehicles	Office Equipment	Plant and Machinery	Die and Tools	Computers	Furniture & Fixtures	Office Equipment's			
Gross Carrying Amount																
As at March 31, 2020	415.86	4,648.24	8,978.52	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
Additions	-	12.04	527.02	552.96	14.16	30.11	0.03	31.76	-	26.72	0.20	-	50.51	-	1,245.50	11.95
Sales/Disposals/Adjustments	-	0.10	110.70	-	36.96	0.02	-	0.02	-	0.13	-	-	0.11	-	148.04	-
As at March 31, 2021	415.86	4,660.18	9,394.83	9,941.08	654.84	657.40	260.47	704.02	49.16	267.64	29.35	3.44	86.89	56.34	27,181.48	57.92
Additions	-	256.39	610.60	940.34	19.05	21.89	40.03	46.86	2.49	85.23	1.51	-	24.68	64.60	2,113.66	37.03
Sales/Disposals/Adjustments	-	-	385.51	307.29	3.08	4.11	79.38	(1.77)	-	0.00	-	0.16	-	-	777.76	45.42
As at March 31, 2022	415.86	4,916.56	9,619.92	10,574.12	670.80	675.17	221.12	752.65	51.66	352.87	30.85	3.28	111.57	120.95	28,517.38	49.53
Accumulated Depreciation																
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	-
Charge for the Year	-	132.59	557.62	868.92	65.66	49.17	25.30	62.11	3.11	29.83	4.64	0.33	3.96	1.88	1,805.12	-
Sales/Disposals/Adjustments	-	0.01	49.40	1.40	38.80	0.19	0.29	0.50	-	-	-	-	-	-	90.59	-
As at March 31, 2021	-	862.46	4,128.32	6,426.52	511.65	405.23	150.30	293.45	7.00	62.46	8.19	0.69	8.99	2.81	12,868.07	-
Charge for the Year	-	126.65	578.06	862.41	62.64	48.92	23.72	64.21	3.19	37.88	4.90	0.33	9.03	2.95	1,824.88	-
Sales/Disposals/Adjustments	-	(0.17)	98.29	114.99	2.40	1.10	68.12	(0.03)	-	-	-	0.04	-	-	284.74	-
As at March 31, 2022	-	989.27	4,608.09	7,173.94	571.89	453.04	105.90	357.69	10.20	100.34	13.09	0.98	18.02	5.76	14,408.20	-
Net Block																
As at March 31, 2021	415.86	3,797.72	5,266.51	3,514.56	143.19	252.17	110.16	410.58	42.16	205.17	21.16	2.75	77.90	53.53	14,313.41	57.92
As at March 31, 2022	415.86	3,927.29	5,011.83	3,400.18	98.91	222.13	115.21	394.97	41.46	252.53	17.77	2.31	93.55	115.18	14,109.18	49.53

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. 152.39 Lacs. as at March 31, 2022 (Rs. 169.07 Lacs. as at March 31, 2021).

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. Title Deed of Immovable Property: The Company does not hold any immovable property which is not in the name of the Company.

G. Revaluation of Property: The Company has not revalued its property, plant and equipment (including Right-of-Use Assets) and intangible assets during the year.

PGS & ASSOCIATES
FRN 0122384W
MUMBAI
Chartered Accountants

Shakti Pumps (India) Limited
CIN : L29120MP1995PLC009327
Notes to the consolidated financial statements for the year ended March 31, 2022

NON - CURRENT ASSETS

4 Intangible Asset & Intangible Asset Under Development (Rs. in Lacs)

Particulars	Computer Software	Intangible Assets Under Development
Gross Carrying Amount		
As at March 31, 2020	**422.43**	**23.53**
Additions	58.40	0.43
Capitalised during the year	-	(5.96)
Sales/Disposals/Adjustments	(41.53)	-
As at March 31, 2021	**522.36**	**18.01**
Additions	73.80	2.23
Capitalised during the year	-	(9.34)
Sales/Disposals/Adjustments	-	-
As at March 31, 2022	**596.15**	**10.89**
Accumulated Amortisation		
As at March 31, 2020	**33.70**	-
Charge for the Year	31.35	-
Disposals/Adjustments	(35.44)	-
As at March 31, 2021	**100.48**	-
Charge for the Year	32.58	-
Disposals/Adjustments	-	-
As at March 31, 2022	**133.07**	-
Net Block Value		
As at March 31, 2021	**421.88**	**18.01**
As at March 31, 2022	**463.09**	**10.89**

(a) Capital Work-in-progress (CWIP) Ageing Schedule : Projects in progress (Rs. in Lacs)

Period of	As at March 31, 2022	As at March 31, 2021
Less than 1 year	-	2.08
1-2 years	2.08	42.91
2-3 years	-	12.93
More than 3 years	47.45	-
Total	49.53	57.92

(b) Intangible Asset Under Development (IAUD) Ageing Schedule : Projects in progress (Rs. in Lacs)

Period of	As at March 31, 2022	As at March 31, 2021
Less than 1 year	2.25	0.43
1-2 years	-	12.37
2-3 years	6.04	5.20
More than 3 years	2.60	-
Total	10.89	18.01

PGS & ASSOCIATES FRN 0122384W MUMBAI Chartered Accountants

Shakti Pumps (India) Limited
CIN : L29120MP1995PLC009327
Notes to the consolidated financial statements for the year ended March 31, 2022

NON-CURRENT ASSETS

5 Financial Assets

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

(Rs. in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in Others :		
(i) Equity Instrument of Others (in Cosmos Bank)	0.02	0.02
Total	**0.02**	**0.02**

Note:

1 **Fair Valuation of Investment Property:** The Company has not done fair market valueation of its investment property during the year.

2 **Compliance with number of layers of companies:** The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

5.2 Other Financial Assets

(Rs. in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Security Deposits	286.52	289.91
Less: Provision for Doubtful Deposits	(42.74)	(42.74)
Total	**243.79**	**247.17**

6 Non-Current Tax Assets (Net)

(Rs. in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Net Income Tax Assets	24.58	1,734.43
Total	**24.58**	**1,734.43**

7 Other Non-Current Assets

(Rs. in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good)		
(i) Miscellaneous Expenditure	10.50	-
(ii) Capital Advances	32.39	25.39
(iii) Balances with Government Authorities	444.15	416.06
Less: Provision for Doubtful Assets	(280.49)	(280.49)
Total	**206.55**	**160.96**

(a) **Loans and Advances to Promoters, Directors,KMP's and Related Parties.**

Loans or Advances in the nature of loans granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

Repayable on demand

(Rs. in Lacs)

Type of Borrower	As at March 31, 2021	During the year		As at March 31, 2022
		Given	Recoverd	
Related Parties				
Shakti Green Industries Pvt. Ltd.	-	42.25	42.25	-

PGS & ASSOCIATES FRN 0122384W MUMBAI Chartered Accountants

Shakti Pumps (India) Limited
CIN : L29120MP1995PLC009327
Notes to the consolidated financial statements for the year ended March 31, 2022

CURRENT ASSETS

8 Inventories

(Rs. in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Raw Material	8,848.41	5,491.81
(ii) Packing Material & Consumables	90.88	184.71
(iii) Work In Process	4,109.84	3,019.27
(iv) Finished Goods	8,157.88	4,267.31
(v) Stock in Transit	375.69	377.59
Total	**21,582.69**	**13,340.68**

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)

9 Financial Assets

9.1 Trade Receivables

(Rs. in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, at amortised cost)		
(i) Considered good	38,277.58	26,456.75
(ii) Considered doubtful	103.24	27.51
Less : Provision for expected credit Loss	(103.24)	(27.51)
Total	**38,277.58**	**26,456.75**

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 terms of 30 to 180 days.
3 Related party transactions & balance {Refer note no. 38}

(a) Trade Receivable Ageing Schedule

(Ageing from due date of payment)

As at March 31, 2022 (Rs. in Lacs)

Range of O/s period	Considered Good		Significant increase in credit risk		Total
	Undisputed	Disputed	Undisputed	Disputed	
Not Due	2,514.52	-	-	-	2,514.52
less than 6 months	31,351.39	-	-	-	31,351.39
6 months - 1 year	2,378.72	-	-	-	2,378.72
1-2 year	929.99	5.05	103.24	-	1,038.28
2-3 year	587.49	0.19	-	-	587.68
> 3 years	486.73	23.50	-	-	510.23
Total	**38,248.85**	**28.73**	**103.24**	-	**38,380.82**

(b) Trade Receivable Ageing Schedule

(Ageing from due date of payment)

As at March 31, 2021 (Rs. in Lacs)

Range of O/s period	Considered Good		Significant increase in credit risk		Total
	Undisputed	Disputed	Undisputed	Disputed	
Not Due	1,735.59	-	-	-	1,735.59
less than 6 months	20,460.58	-	-	-	20,460.58
6 months - 1 year	2,005.18	-	-	-	2,005.18
1-2 year	1,339.77	5.05	27.51	-	1,372.33
2-3 year	588.68	0.19	-	-	588.86
> 3 years	298.21	23.50	-	-	321.71
Total	**26,428.01**	**28.73**	**27.51**	-	**26,484.26**

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9.2 Cash and Cash Equivalents

(Rs. in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Cash in Hand	2.37	4.34
(ii) Balance with Scheduled Banks :		
(a) In Current Accounts	2,181.86	570.14
(b) Fixed Deposit with Maturity less than 3 Months	940.76	1,582.95
Total	**3,124.99**	**2,157.43**

9.3 Other Bank Balances

(Rs. in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) In Fixed Deposit Accounts	1,316.80	1,972.46
(ii) Unclaimed Dividend	18.32	17.37
Total	**1,335.12**	**1,989.84**

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 Others Financial Assets

(Rs. in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured- considered good)		
(i) Security Deposits	224.50	278.26
(ii) Interest Receivable on Fixed Deposits with Bank	144.55	105.65
Total	**369.05**	**383.91**

10 Current Tax Assets (Net)

(Rs. in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Net Income Tax Assets	114.79	-
Total	**114.79**	**-**

11 Other Current Assets

(Rs. in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured- considered good)		
(i) Prepaid Expenses	785.82	361.62
(ii) Advance to Suppliers	591.82	517.30
(iii) Statutory and Other Receivables	5,078.08	4,896.14
Total	**6,455.72**	**5,775.06**

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EQUITY

12 Share Capital

(Rs. in Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Authorised :				
Equity Shares of Rs.10/- each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
15 % Compulsory Convertible Preference Shares of Rs.100/- each	15,00,000	1,500.00	15,00,000	1,500.00
Total	**2,65,00,000**	**4,000.00**	**2,65,00,000**	**4,000.00**
Issued & Subscribed :				
Equity shares of Rs.10/- each	1,85,60,356	1,856.04	1,85,60,356	1,856.04
Total	**1,85,60,356**	**1,856.04**	**1,85,60,356**	**1,856.04**
Paid Up Capital :				
Equity Shares of Rs.10/- each	1,83,80,156	1,838.02	1,83,80,156	1,838.02
Total	**1,83,80,156**	**1,838.02**	**1,83,80,156**	**1,838.02**

12.1 Terms/rights attached to the equity shares :

(i) The Company has only one class of equity shares having a par value of Rs. 10/- per share.

(ii) 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.

(iii) 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 :

(a) Equity Shares :

(Rs. in Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	1,83,80,156	1,838.02	1,83,80,156	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	**1,83,80,156**	**1,838.02**	**1,83,80,156**	**1,838.02**

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

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% held	No. of Shares	% held
(i) Mr. Dinesh Patidar	37,68,100	20.50%	37,68,100	20.50%
(ii) Mr. Sunil Patidar	15,62,200	8.50%	15,62,200	8.50%
(iii) Mr. Ankit Patidar	15,00,000	8.16%	15,00,000	8.16%
(iv) Shakti Irrigation India Limited	9,32,000	5.07%	9,32,000	5.07%

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EQUITY

12.5 Shareholding of Promoters

(a) Shares held by promoters at March 31, 2022

Name of the Promoter	No. of Shares	% of total shares	% change 2021-22
(i) Mr. Dinesh Patidar	37,68,100	20.50%	-
(ii) Mr. Sunil Patidar	15,62,200	8.50%	-
(iii) Mr. Ankit Patidar	15,00,000	8.16%	-
(iv) Shakti Irrigation India Limited	9,32,000	5.07%	-
(v) Vintex Tools Private Limited	5,48,000	2.98%	5.59%
(vi) Mrs. Geeta Patidar	6,10,800	3.32%	-
(vii) Mrs. Aishwarya Patidar	3,85,400	2.10%	-
(viii) Mrs. Indira Patidar	3,34,000	1.82%	-
(ix) Mrs. Pallavi Patidar	3,41,800	1.86%	-
(x) Mrs. Seema Patidar	94,000	0.51%	-
Total	**1,00,76,300**	**54.82%**	
Total No of Shares issued and Subscribed	1,83,80,156		

(b) Shares held by promoters at March 31, 2021

Name of the Promoter	No. of Shares	% of total shares	% change 2020-21
(i) Mr. Dinesh Patidar	37,68,100	20.50%	2.26%
(ii) Mr. Sunil Patidar	15,62,200	8.50%	-
(iii) Mr. Ankit Patidar	15,00,000	8.16%	-
(iv) Shakti Irrigation India Limited	9,32,000	5.07%	100%
(v) Vintex Tools Private Limited	5,18,994	2.82%	-
(vi) Mrs. Geeta Patidar	6,10,800	3.32%	-
(vii) Mrs. Aishwarya Patidar	3,85,400	2.10%	-
(viii) Mrs. Indira Patidar	3,34,000	1.82%	-
(ix) Mrs. Pallavi Patidar	3,41,800	1.86%	-
(x) Mrs. Seema Patidar	94,000	0.51%	-
Total	**1,00,47,294**	**54.66%**	
Total No of Shares issued and Subscribed	1,83,80,156		

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13 Other Equity

(Rs. in Lacs)

Particulars	Reserve & Surplus				Foreign Exchange Fluctuation Reserve	Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings			
Balance as at April 1, 2020	**49.87**	**8,797.81**	**9,636.71**	**6,145.82**	**58.97**	**(12.18)**	**24,677.00**
Add/(Less):							
Appropriations/Adjustments :							
Profit for the year	-	-	-	7,558.64	-	-	7,558.64
Foreign currency translation	-	-	-	-	52.47	-	52.47
Re-measurement gains/(loss) on defined benefit plans(Net	-	-	-	-	-	46.67	46.67
Unrealised Exchange Gain/Loss	-	-	-	-	-	(111.85)	(111.85)
Balance as at March 31, 2021	**49.87**	**8,797.81**	**9,636.71**	**13,704.47**	**111.44**	**(77.37)**	**32,222.92**
Add/(Less):							
Appropriations/Adjustments :							
Profit for the year	-	-	-	6,481.60	-	-	6,481.60
Foreign currency translation	-	-	-	-	67.31	-	67.31
Dividend & Dividend Tax	-	-	-	(1,470.41)	-	-	(1,470.41)
Re-measurement gains/(loss) on defined benefit plans(Net	-	-	-	-	-	(27.91)	(27.91)
Unrealised Exchange Gain/Loss	-	-	-	-	-	206.14	206.14
Balance as at March 31, 2022	**49.87**	**8,797.81**	**9,636.71**	**18,715.65**	**178.76**	**100.86**	**37,479.65**

Note:

1. **Capital reserve:** The reserve will be utilised in accordance with the provisions of the Act.
2. **Securities premium:** Securities premium is credited when shares are issued at premium. This will be utilised in accordance with the provisions of the Act.
3. **Retained earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
4. **General reserve:** The General reserve is created by way of transfer of profits from retained earnings for appropriation purposes. This reserve is utilised in accordance with the provisions of the Act.
5. **Foreign exchange fluctuation reserve:** The Foreign exchange fluctuation reserve is created by way of foreign currency translation impact on balance sheet as well as profit and loss statement items for converting in Indian rupees. This reserve is utilised in accordance with the provisions of the Act.
6. **Other Comprehensive Income :** The Other Comprehensive Income is created by way of Re-measurement gains/(loss) on defined benefit plans, Unrealised exchange gain/(loss) and tax there on. This reserve is utilised in accordance with the provisions of the Act.

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NON-CURRENT LIABILITIES

14 Financial Liabilities

14.1 Non Current Borrowings

(Rs. in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Term Loans:		
(i) Term loan from Bank		
Rupee Loan	968.79	1,975.18
Foreign Currency Loan	732.87	977.87
Other:		
(ii) Vehicle Loan from Bank	-	7.24
Less: Current Maturities of Long Term Borrowings	(771.29)	(968.63)
Total	**930.37**	**1,991.66**

(a) Interest rate of the above loan in range between 6.00% to 9.50%

(b) Borrowings from banks are secured by way of :-

(i) First parri passu charge on both present and/or future, movable & immoveable property, plant & equipements.

(ii) Second parri passu charge on both present and/or future, current assets including inventories & receivables.

(c) Amount payable during next 12 months, disclosed under the head "Current Borrowings" (Note No. 17.1)

(d) Vehicle Loans are secured by respective vehicles.

(e) Corporate Guarantee of holding company for loan of subsidiary company in Previous year.

(f) **Utilisation of Borrowings taken from Bank and Financial Institution**

-The company has not taken any fresh loan from banks and financial institutions during The year.

(g) Maturity Profile of the above loan as below :

(Rs. in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Within One year	771.29	968.63
(ii) Two to Five years	930.37	1,991.66
Total	**1,701.66**	**2,960.29**

14.2 Lease Liability

(Rs. in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Lease Liability Payable	101.01	43.75
Total	**101.01**	**43.75**

Amount payable during next 12 months, disclosed under the head "Lease Liability [Current]" (Note No. 17.2)

Disclosures as required by Ind AS 116 'Lease' are stated below

(a) Lease Liability Movement

(Rs. in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance /Transaction Adjustment	49.24	47.11
Add: Addition during the year	65.22	2.57
Interest on lease liability	10.88	5.05
Less: Lease rental payments	(12.17)	(5.49)
Total	**113.18**	**49.24**

(b) Maturity Analysis of Lease Liabilities

(Rs. in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Not later than one year	12.17	5.49
(ii) Later than one year but not later than five years	48.67	21.96
(iii) Later than five years	52.34	21.79
Total	**113.18**	**49.24**

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15 Provisions (Rs. in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits :		
(i) Gratuity Payable	545.97	508.86
(ii) Leave Encashment	31.13	55.50
Total	**577.09**	**564.36**

{Refer provision for employee benefits note no.36}

16 Deferred Tax Liabilities (Net) (Rs. in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Tax effect of items constituting deferred tax liabilities:		
(i) Property, plant and equipment	705.02	1,274.77
Tax effect of items constituting deferred tax assets:		
(i) Mat Credit Entitlement	(9.57)	(119.04)
Total	**695.46**	**1,155.72**

CURRENT LIABILITIES

17 Financial liabilities

17.1 Current Borrowings (Rs. in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) **Secured Loans**		
Loans Repayable on Demand from Banks	8,799.46	4,914.83
Current Maturities of Long Term Borrowings	771.29	968.63
Total	**9,570.75**	**5,883.46**

(a) Interest rate of the above loan in range between 5.95% to 9.00%

(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 & equipements.

(iii) Personal Guarantee of Directors.

(iv) Corporate Guarantee of holding company for loan of subsidiary company in previous year.

(c) **Current Maturities of Long Term Debt** (Rs. in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Term Loan from Banks	771.29	961.39
(ii) Vehicle Loan from Banks	-	7.24
Total	**771.29**	**968.63**

(d) **Borrowings from banks or financial institutions on the basis of security of current assets**

Quarterly statements of current assets filed by the Company with banks are in agreement with the books of accounts.

17.2 Lease Liability (Rs. in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Lease Liability Payable	12.17	5.49
Total	**12.17**	**5.49**

Amount payable during next 12 months.

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17.3 Trade Payables (Rs. in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Dues to Micro, Small and Medium Enterprises		
- Other than above	6,359.67	5,938.94
Total	**6,359.67**	**5,938.94**
(ii) Dues to other than Micro, Small and Medium Enterprises		
- Acceptance	1,135.97	2,056.03
- Other than above	20,903.54	10,424.89
Total	**22,039.51**	**12,480.92**
Grand Total	**28,399.19**	**18,419.86**

Related party transactions & balance {Refer note no. 38}

(a) Trade Payable Ageing Schedule
(Ageing from due date of payment)
As at March 31, 2022 (Rs. in Lacs)

Range of O/s period	MSME		Other than MSME		Total
	Undisputed	Disputed	Undisputed	Disputed	
Unbilled	-	-	-	-	-
Not Due	2,911.37	-	14,649.39	-	17,560.76
Less than 1 year	3,448.31	-	7,324.42	-	10,772.73
1-2 years	-	-	18.11	-	18.11
2-3 year	-	-	7.06	-	7.06
>3 years	-	-	40.53	-	40.53
Total	**6,359.67**	-	**22,039.51**	-	**28,399.19**

(b) Trade Payable Ageing Schedule
(Ageing from due date of payment)
As at March 31, 2021 (Rs. in Lacs)

Range of O/s period	MSME		Other than MSME		Total
	Undisputed	Disputed	Undisputed	Disputed	
Unbilled	-	-	-	-	-
Not Due	3,828.49	-	7,593.19	-	11,421.68
Less than 1 year	2,110.45	-	4,693.26	-	6,803.71
1-2 years	-	-	158.84	-	158.84
2-3 year	-	-	32.21	-	32.21
> 3 years	-	-	3.41	-	3.41
Total	**5,938.94**	-	**12,480.92**	-	**18,419.86**

(c) Amounts due to Micro, Small and Medium Enterprises

Outstanding to Micro, Small and Medium Enterprise : Rs. 6359.67 Lacs Previous Year : Rs. 5938.94 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, 2022	As at March 31, 2021
(i) Principal amount due and remaining unpaid	6,359.67	5,938.94
(ii) Interest paid	-	-
(iii) Interest due	-	-
(iv) Interest accrued and due	-	-
(v) Interest due and remaining unpaid	-	-

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17.4 Other Financial Liabilities (Rs. in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Unclaimed Dividend *	18.32	17.37
(ii) Security Deposits Payable	144.97	98.86
(iii) Creditors for Service & Others	1,770.06	1,365.68
(iv) **Other Payables :**		
-Employee Dues	438.76	311.17
-Others	2,814.90	2,196.94
Total	**5,187.01**	**3,990.04**

* Investor Education and Protection Fund will be credited, as and when due.

18 Provisions (Rs. in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits :		
(i) Gratuity Payable	35.54	13.42
(ii) Leave Encashment	2.54	3.61
Total	**38.08**	**17.03**

{Refer provision for employee benefits note no.36}

19 Other Current Liabilities (Rs. in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Advance from Customers	396.22	414.91
(ii) Creditors for Capital Goods	850.47	73.64
(iii) Duties and Taxes payable	292.09	103.79
Total	**1,538.78**	**592.34**

20 Current Tax Liabilities (Net) (Rs. in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Provision for Income Tax (Net)	-	332.82
Total	**-**	**332.82**

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REVENUE FROM OPERATION

21 Sale of Products (Rs. in Lacs)

	Particulars	2021-22	2020-21
(i)	Domestic Sales	96,533.11	73,102.91
(ii)	Export Sales	18,511.19	18,001.59
(iii)	Other Operating Income	2,809.21	1,861.63
	Total	1,17,853.51	92,966.14

(a) Other Operating Income includes : (Rs. in Lacs)

	Particulars	2021-22	2020-21
(i)	Export benefits	226.71	389.72
(ii)	Scrap Sales	2,566.24	1,389.83
(iii)	Income from Services	5.57	62.79
(iv)	Other Operating Income	10.69	19.28
	Total	2,809.21	1,861.63

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)

Customer Type	2021-22	2020-21
Customers under Government Projects	81,484.21	54,226.53
Industrial Customers	1,551.96	1,747.87
OEM Customers	3,123.00	8,590.04
Export Customers	18,511.19	18,001.59
Other Customers	13,183.14	10,400.10
Total	1,17,853.51	92,966.14

22 Other Income (Rs. in Lacs)

	Particulars	2021-22	2020-21
(i)	Interest Income	312.33	153.26
(ii)	Rent Received	12.12	13.31
(iii)	Others	289.69	210.55
	Total	614.14	377.12

EXPENSES

23 Cost of Material Consumed (Rs. in Lacs)

Particulars	2021-22	2020-21
Opening Stock of Raw Material	6,054.11	5,014.24
Add Purchase of Raw Material	98,706.47	64,878.67
	1,04,760.58	69,892.91
Less: Closing Stock of Raw Material	9,314.98	6,054.11
Total	95,445.60	63,838.80

24 Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress (Rs. in Lacs)

Particulars	2021-22	2020-21
Inventories (at Close)		
(i) Finished Goods/Stock in Trade	8,157.88	4,267.31
(ii) Work-In-Progress	4,109.84	3,019.27
Total	12,267.72	7,286.57
Inventories (at Opening)		
(i) Finished Goods/Stock in Trade	4,267.31	6,320.48
(ii) Work-In-Progress	3,019.27	2,795.63
Total	7,286.57	9,116.12
Change in Inventories	(4,981.15)	1,829.54

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25 Employee Benefit Expenses (Rs. in Lacs)

Particulars	2021-22	2020-21
(i) Salaries, Wages and Bonus	4,812.65	4,020.14
(ii) Contribution to Provident and Other Funds	204.88	232.94
(iii) Staff Welfare Expenses	223.66	110.64
Total	**5,241.19**	**4,363.71**

26 Finance Cost (Rs. in Lacs)

Particulars	2021-22	2020-21
(i) Interest to Bank	1,130.92	1,228.87
(ii) Interest to Other	9.47	6.52
(iii) Other Borrowing Costs	427.23	385.75
Total	**1,567.62**	**1,621.14**

27 Depreciation and Amortisation Expense (Rs. in Lacs)

Particulars	2021-22	2020-21
(i) Depreciation	1,821.93	1,803.24
(ii) Amortisation	35.53	33.22
Total	**1,857.46**	**1,836.46**

28 Other Expenses (Rs. in Lacs)

Particulars	2021-22	2020-21
(i) Power & Fuel	241.46	223.94
(ii) Job Work Expenses	64.84	117.97
(iii) Clearing & Forwarding Charges	113.19	86.67
(iv) Freight Charges	1,454.32	794.13
(v) Travelling Expenses	237.15	109.56
(vi) Advertising Expenses	198.09	159.58
(vii) ECGC Premium	27.60	28.15
(viii) Selling & Distribution Expenses	5,550.47	3,938.99
(ix) Legal, professional and consultancy charges	406.98	343.92
(x) Rent	185.67	142.91
(xi) Manufacturing Expenses	493.70	829.26
(xii) Auditors Remuneration	13.60	6.33
(xiii) Corporate Social Responsibility Expenses	75.96	114.76
(xiv) Rates and taxes	170.45	182.62
(xv) Repair & Maintenance	135.59	107.96
(xvi) Conveyance Expenses	267.76	207.00
(xvii) Communication Expenses	209.82	133.86
(xviii) Directors Remuneration	958.46	907.16
(xix) Office & Administrative Expenses	109.84	129.24
(xx) Bad Debts Written off	24.04	24.06
(xxi) Provision for Doubtful Debts / Security Deposits	75.73	61.25
(xxii) Donations and Contributions	0.05	25.00
(xxiii) Software Maintenance Expenses	80.20	49.95
(xxiv) Miscellaneous Expenses	7.73	4.69
Total	**11,102.73**	**8,728.98**

28.1 Payment To Auditors : (Rs. in Lacs)

Particulars	2021-22	2020-21
(i) For Audit	10.00	5.00
(ii) For Taxation Matters	-	-
(iii) For Other Services-Including components auditor	3.60	1.33
Total	**13.60**	**6.33**

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29 Earnings Per Share (Rs. in Lacs)

Particulars	2021-22	2020-21
Profit / (Loss) for the year as per Statement of Profit and Loss	**6,481.60**	**7,558.64**
Weighted Average Number of Shares	1,83,80,156	1,83,80,156
Weighted average number of equity shares, (nos) for Basic DPS	1,83,80,156	1,83,80,156
Face Value of Share (Rs.)	10.00	10.00
Basic Earning Per Share	35.26	41.12
Diluted Earning Per Share	35.26	41.12

30 Proposed Dividend

A dividend at the rate of 20% i.e. Rs.2/- per equity share is recommended by the Board of Directors at their meeting held on May 02, 2022 which is subject to approval at the ensuing Annual General Meetings, and if approved will be payable within the statutory time limits of 30 Days.

31 Research & Development (Rs. in Lacs)

Nature of Expenditure	2021-22	2020-21
(i) Capital Expenditure	113.92	77.32
(ii) Revenue Expenditure	338.62	253.06
Total Expenditure Incurred	**452.54**	**330.38**
Less: Income Earned by R&D	0.01	0.25
Net Expenditure Incurred	**452.53**	**330.13**

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)

32 Contingent Liabilities (Rs. in Lacs)

Particulars	2021-22	2020-21
(i) Bank Guarantee Outstanding	8,461.75	7,962.33
(ii) Unexpired Letter of Credit	14,684.45	6,834.21
(iii) Corporate Guarantee Outstanding	-	2,350.00
(iv) Commercial Tax Demand under Dispute	73.58	94.38
(v) Income Tax Demand Under Dispute	3,883.54	3,759.64
(vi) Custom Duty Demand Under Dispute	1,387.44	971.95
Less : Provision for Doubtful Assets	(280.49)	(280.49)
Total	**28,210.27**	**21,692.02**

33 Expenditure in Foreign Currency on Account of : (Rs. in Lacs)

Particulars	2021-22	2020-21
(i) Travelling Expenses	51.83	8.45
(ii) Advertisement Expenses	-	1.58
(iii) Commission on Sales	2.84	20.33
(iv) Software Development Expenses	10.53	12.18
(v) Legal, Professional and Consultancy charges	-	0.55
(vi) Testing & Other Charges	-	5.77
Total	**65.20**	**48.84**

34 Other Amendments with respect to Schedule III :

(i) The company does not have any transactions with companies struck off.
(ii) The company is not declared as wilful defaulter by any bank or financial Institution or other lender.
(iii) The company have not traded or invested in Crypto currency or Virtual Currency during the year.
(iv) There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237of the Companies Act, 2013.
(v) The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
(vi) The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

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(vii) The company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(viii) The Company has not advance or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ix) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

35 Corporate Social Responsibility (CSR) **(Rs. in Lacs)**

The company is covered under section 135 of the companies act, the following is the disclosed with regard to CSR activities:-

	Particulars	**2021-22**	**2020-21**
1	Gross amount required to be spent by the company during the year.	75.96	114.76
2	**Amount approved by the Board to be spent during the year:**		
	(a) Ongoing	-	-
	(b) Other than ongoing	75.96	114.76
	Total	**75.96**	**114.76**
3	**Amount spent during the year on:**		
	(a) Construction/acquisition of any asset	-	-
	(b) On purposes other than (a) above	75.96	114.76
	Total	**75.96**	**114.76**
4	Shortfall at the end of the year,	-	-
5	Total of previous years shortfall,	-	70.60
6	Reason for shortfall-	N.A.	N.A.
7	**Nature of CSR activities-**		
	(a) I&C Charges of 5hp CSR Site Mandu	0.12	-
	(b) Donation To Homeopathic Rogi Kalyan	0.50	-
	(c) Shakti Foundation	75.35	83.23
	(d) Parcel lunch box COVID-19 & Sanitization	-	0.73
	(e) Construction of Girls Hostel	-	25.00
	(f) Installation of Solar Pumps System	-	2.70
	(g) Donation for Mandu Ustav	-	0.10
	(h) Donation to Police Welfare	-	1.00
	(i) Installation of Pumps and Motors system	-	0.37
	(j) Installation of Solar Pump system at Nalcha, Mandu	-	1.83
	Total	**75.96**	**114.96**
8	Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting		
	(a) Shakti Foundation	75.35	83.23
9	where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	N.A.	N.A.
10	**Disclosures under section 135(5) and 135(6)**		
	A In case of S. 135(5) unspent amount		
	Opening Balance	-	**70.60**
	Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
	Amount required to be spent	-	70.60
	Amount spent during the year		70.60
	Shortfall / (Excess)	-	-

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36 Employee Benefit Obligations

36.1 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	2021-22	2020-21
Employers Contribution to Provident Fund/ Pension Fund	129.87	127.00
Employers Contribution to ESIC	3.02	4.32
Total	**132.89**	**131.33**

36.2 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	
	2021-22	2020-21	2021-22	2020-21
Present value of obligation at the end of year	33.67	59.11	607.32	542.28
Fair value of plan assets at the end of year	-	-	25.82	20.00
Net liability recognized in the Balance Sheet	**33.67**	**59.11**	**581.50**	**522.28**

The amounts recognized in the Statement of Profit and Loss are as follows: (Rs. in Lacs)

Particulars	Leave Encashment		Gratuity	
	2021-22	2020-21	2021-22	2020-21
Current Service Cost	1.58	9.50	39.64	52.34
Interest Cost	4.18	4.93	37.31	35.09
Past Service Cost	-	-	-	-
Benefits Paid	-	-	-	-
Recognized Net Actuarial (Gain)/ Loss	(28.85)	(23.53)	-	-
Total, included in Employee Benefit Expenses	**(23.09)**	**(9.09)**	**76.95**	**87.43**

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	
	2021-22	2020-21	2021-22	2020-21
Defined benefit obligation at beginning of the year	59.11	73.81	546.24	567.54
Current Service Cost	1.58	9.50	39.64	52.34
Past Service Cost	-	-	-	-
Interest Cost	4.00	4.93	38.73	38.48
Benefits Paid	(2.18)	(5.61)	(37.21)	(43.62)
Actuarial (Gain)/ Loss	(28.85)	(23.53)	19.92	(72.46)
Defined benefit obligation at the end of the year	**33.67**	**59.11**	**607.32**	**542.28**

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The Financial assumptions used in accounting for the Gratuity Plan & Leave Encashment are set out below:

Particulars	Leave Encashment		Gratuity	
	2021-22	2020-21	2021-22	2020-21
(i) Discount Rate	6.78%	7.09%	6.78%	7.09%
(ii) Salary Escalation Rate	6.00%	6.00%	6.00%	6.00%
(iii) Expected Rate of Return on Plan Assets	None	None	7.44%	7.84%

The Demographic assumptions used in accounting for the gratuity plan & leave encashment are set out below:

Particulars	Leave Encashment		Gratuity	
	2021-22	2020-21	2021-22	2020-21
(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	2022	100 Basis Points	(75.85)	91.52
	2021	100 Basis Points	(72.11)	87.81
(ii) Salary Growth Rate	2022	100 Basis Points	92.00	(77.50)
	2021	100 Basis Points	87.89	(73.41)

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	2022	100 Basis Points	(4.77)	6.05
	2021	100 Basis Points	(7.69)	9.46
(ii) Salary Growth Rate	2022	100 Basis Points	5.90	(4.87)
	2021	100 Basis Points	9.47	(7.83)

Gratuity : (Rs. in Lacs)

Expected Cash Flow for the Next Ten Years	March 31, 2022	March 31, 2021
Year 2022	-	13.86
Year 2023	36.04	38.84
Year 2024	25.61	26.79
Year 2025	20.94	21.88
Year 2026	32.72	33.48
Year 2027	38.21	-
Year 2027 - 2031	-	295.85
Year 2028 - 2032	357.37	-

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.

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Notes to the consolidated financial statements for the year ended March 31, 2022

37 Income Tax Expenses

(Rs. in Lacs)

Particulars	2021-22	2020-21
(i) Profit or Loss Section		
Current Tax Expenses on Profit before tax	2,224.81	2,491.92
(Short)/Excess provision for tax relating to prior period	(0.28)	-
Deferred Tax	(471.93)	1,074.07
Total Income Tax Expenses Recognised in Statement of Profit & Loss	**1,752.60**	**3,565.99**
(ii) Other Comprehensive Income (OCI) Section		
Income tax charged to OCI	**9.37**	**(24.70)**
(iii) Reconciliation of Effective Tax Rate		
A) Profit Before Tax	8,234.20	11,124.63
B) Enacted Tax Rate In India	25.17%	34.94%
C) Expected Tax Expenses	2,072.38	3,887.39
D) **Tax Effect of**		
- Difference Between Book Depreciation And Tax Depreciation	286.51	4.78
- Deduction on account of Research and Development Expenses	-	(77.32)
- Other Provisions	319.12	(3,920.92)
E) **Net Adjustment**	**605.62**	**(3,993.46)**
F) Tax Expenses/(Saving) on Net Adjustment (E*B)	152.42	(1,395.47)
G) Current Tax Expenses Recognised In Statement of Profit & Loss (C+F)	2,224.81	2,491.92
H) Excess/(Short) Provision for tax relating to prior year	(0.28)	-
I) Changes on Account of Deferred Tax	(471.93)	1,074.07
Net Current Tax Expenses Recognised in Statement of Profit & Loss (G+H+I)	**1,752.60**	**3,565.99**

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38 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) Vintex Tools Pvt. Ltd.
(iii) Arsh Industrial Solutions Pvt. Ltd.
(iv) Shakti Irrigation Pvt. Ltd.
(v) SPIL Energy LLP (Earlier known as "SPIL Energy Limited")

2. Key Managerial Personnel :
(i) Mr. Dinesh Patidar - Managing Director
(ii) Mr. Sunil Patidar - Whole Time Director
(iii) Mr. Ramesh Patidar - Whole Time Director
(iv) Mr. Dinesh Patel: - Chief Financial Officer
(v) Mr. Ravi Patidar: - Company Secretary & Compliance Officer
(vi) Mrs. Indira Patidar - Whole Time Director

(ii) Transaction with Related Parties : **(Rs. in Lacs)**

S. No	Name of Party	Nature of Transaction	2021-22	2020-21
1	Shakti Irrigation India Ltd.	Purchase of Components (excluding transit)	1,497.43	1,234.36
		Purchase of Asset	-	2.02
		Sale of Pumps & Motors & other material	18.77	102.34
		Sale of Assets	-	0.11
2	Vintex Tools Pvt. Ltd.	Purchase of Dies & Other material (excluding transit)	53.86	115.17
		Purchase of Assets (excluding transit)	1,045.57	826.94
		Sale of Spare parts (excluding transit)	23.35	12.40
3	Arsh Industrial Solutions Pvt. Ltd.	Purchase of Nuts & Bolts	1,137.28	986.63
		Purchase of Asset	-	19.24
		Sale of Asset	-	47.20
		Sale of Spare Parts	156.02	352.74
4	Shakti Irrigation Pvt. Ltd.	Purchase of Pipes	2,797.33	1,850.04
		Sale of Pumps, Motors & other material	33.14	5.19
		Income from Rent	12.12	13.31
5	Mr. Dinesh Patidar	Remuneration	900.00	450.00
		Sales Incentive	-	406.05
6	Mr. Sunil Patidar	Remuneration	12.00	9.65
		Other Allowances	0.62	0.60
7	Mr. Ramesh Patidar	Remuneration	44.34	32.33
		Sales Incentive	-	5.00
		Other Allowances	1.51	1.53
8	Mr. Dinesh Patel	Remuneration	21.89	15.98
9	Mr. Ravi Patidar	Remuneration	13.00	9.92

(iii) Related Party Balance : **(Rs. in Lacs)**

S. No	Nature	Name of Party	As at March 31, 2022	As at March 31, 2021
1	Trade Receivables	Shakti Irrigation India Ltd.	3.34	61.45
		Vintex Tools Pvt. Ltd.	5.97	-
		Arsh Industrial Solutions Pvt. Ltd.	54.66	66.31
		Shakti Irrigation Private Ltd.	4.93	1.40
2	Trade Payables	Shakti Irrigation India Ltd.	667.38	70.57
		Vintex Tools Pvt. Ltd.	971.45	1,009.60
		Arsh Industrial Solutions Pvt. Ltd.	174.51	321.17
		Shakti Irrigation Private Ltd.	477.32	302.45

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39 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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial Assets at Amortised Cost				
Cash and Bank Balances	4,460.11	4,147.27	4,460.11	4,147.27
Investments	0.02	0.02	0.02	0.02
Other Financial Assets	612.83	631.07	612.83	631.07
Trade Receivables	38,277.58	26,456.75	38,277.58	26,456.75
Total	**43,350.55**	**31,235.11**	**43,350.55**	**31,235.11**
Financial Liabilities at Amortised Cost				
Trade Payables	28,399.19	18,419.86	28,399.19	18,419.86
Borrowings	10,501.12	7,875.12	10,501.12	7,875.12
Other Financial Liabilities	5,300.18	4,039.28	5,300.18	4,039.28
Total	**44,200.49**	**30,334.26**	**44,200.49**	**30,334.26**

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 March 31, 2022			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets at Amortised Cost				
Cash and Bank Balances	4,460.11	-	-	4,460.11
Investments	0.02	-	-	0.02
Other Financial Assets	612.83	-	-	612.83
Trade Receivables	38,277.58	-	-	38,277.58
Financial Liabilities at Amortised Cost				
Trade Payables	28,399.19	-	-	28,399.19
Borrowings	10,501.12	-	-	10,501.12
Other Financial Liabilities	5,300.18	-	-	5,300.18

(Rs. in Lacs)

Particulars	As at March 31, 2021			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets at Amortised Cost				
Cash and Bank Balances	4,147.27	-	-	4,147.27
Investments	0.02	-	-	0.02
Other Financial Assets	631.07	-	-	631.07
Trade Receivables	26,456.75	-	-	26,456.75
Financial Liabilities at Amortised Cost				
Trade Payables	18,419.86	-	-	18,419.86
Borrowings	7,875.12	-	-	7,875.12
Other Financial Liabilities	4,039.28	-	-	4,039.28

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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 equity 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 Equity Ratio is as follows: **(Rs. in Lacs)**

Particulars	As at March 31, 2022	As at March 31, 2021
Debt (A)	10,501.12	7,875.12
Equity (B)	39,317.67	34,060.94
Debt Equity Ratio (A/B)	**0.27**	**0.23**

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, 2022	As at March 31, 2021
Interest bearing borrowings:		
On Demand	8,799.46	4,914.83
Less than 180 Days	385.64	484.32
181-365 Days	385.64	484.32
More than 365 Days	930.37	1,991.66

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).

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Foreign Currency Exposures : (Rs. in Lacs)

Particulars	Foreign Currency	As at March 31, 2022		As at March 31, 2021	
		Foreign Curr. Amount	Amount in Rs.	Foreign Curr. Amount	Amount in Rs.
I. Trade receivables/Advance from customer :	USD	43.02	3,234.95	43.01	3,079.33
	EUR	0.49	40.50	1.45	123.49
	Total		**3,275.45**		**3,202.82**
II. Advance for Capital Goods :	USD	-	-	0.06	4.17
	Total		-		**4.17**
III. Borrowing balances :	USD	10.19	732.87	13.60	977.87
	Total		**732.87**		**977.87**
IV. Trade payables :	USD	14.74	1,108.60	17.16	1,228.72
	EUR	2.18	179.25	2.16	183.46
	Total		**1,287.85**		**1,412.18**

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, 2022			
Based on YOY change between F21 & F22	USD	+10%	139.35
	USD	-10%	(139.35)
	EUR	+10%	(13.87)
	EUR	-10%	13.87
March 31, 2021			
Based on YOY change between F20 & F21	USD	+10%	87.69
	USD	-10%	(87.69)
	EUR	+10%	(6.00)
	EUR	-10%	6.00

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, 2022	As at March 31, 2021
Secured Loans :		
Loans repayable taken from Banks:	8,799.46	4,914.83
Total	**8,799.46**	**4,914.83**

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:

(Rs. in Lacs)

Particulars	Increase / Decrease in Basis Points	Effect on Profit Before Tax(Loss)
As at March 31, 2022	+100	(87.99)
	-100	87.99
As at March 31, 2021	+100	(49.15)
	-100	49.15

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FRN 0122384W
MUMBAI
Chartered Accountants

40 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: (Rs. in Lacs)

Particulars	2021-22	2020-21
1. Segment Revenue		
India	1,28,937.21	97,409.88
Overseas	11,552.11	10,984.80
Total Segment Revenue	**1,40,489.32**	**1,08,394.68**
Inter segment sales	(22,021.67)	(15,051.42)
Income from Operations	**1,18,467.65**	**93,343.26**
2. Segment Results		
Profit/(Loss) before Finance Costs, Exceptional Items & Tax		
India	8,706.25	11,597.91
Overseas	1,095.57	1,147.86
Total	**9,801.82**	**12,745.77**
Less: Finance Cost	1,567.62	1,621.14
Profit before Exceptional Items & Tax	**8,234.20**	**11,124.63**
Exceptional Items	-	-
Profit before Tax	**8,234.20**	**11,124.63**
3. Capital Employed		
(Segment Assets)		
India	80,691.66	61,698.13
Overseas	5,675.91	5,359.34
Total Segment Assets	**86,367.57**	**67,057.47**
(Segment Liabilities)		
India	45,853.53	31,412.84
Overseas	1,196.37	1,583.68
Total Segment Liabilities	**47,049.90**	**32,996.52**
Net Capital Employed		
(Segment Assets-Segment Liabilities)		
India	34,838.13	30,285.28
Overseas	4,479.54	3,775.66
Total Capital Employed	**39,317.67**	**34,060.94**

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41 Additional Information Regarding Subsidiaries as per Schedule III of the Companies Act, 2013 **(Rs. in Lacs)**

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. 2021-22				
a) Parent				
Shakti Pumps India Limited	81.19%	31,922.46	72.57%	4,703.83
b) Subsidiaries				
Indian				
Shakti Energy Solutions Pvt. Ltd.	7.29%	2,864.67	12.76%	826.82
Foreign				
Shakti Pumps LLC, USA	5.91%	2,324.63	6.24%	404.61
Shakti Pumps FZE , UAE	5.39%	2,117.54	8.42%	545.82
Shakti Green Industries Pvt Ltd.	0.13%	51.00	0.00%	-
Shakti Pumps (Shanghai) Limited, China	0.02%	8.09	-0.04%	(2.38)
Shakti Pumps (Bangladesh) Ltd., Bangladesh	0.07%	29.28	0.04%	2.90
c) Minority Interest				
i) Indian	-	-	-	-
ii) Foreign	-	-	-	-
Total	**100%**	**39,317.67**	**100%**	**6,481.60**
F.Y. 2020-21				
a) Parent				
Shakti Pumps India Limited	82.93%	28,247.74	80.04%	6,049.65
b) Subsidiaries				
Indian				
Shakti Energy Solutions Pvt. Ltd.	5.98%	2,037.54	6.64%	501.55
Foreign				
Shakti Pumps LLC, USA	6.63%	2,256.79	6.26%	472.91
Shakti Pumps FZE , UAE	4.36%	1,483.74	6.86%	518.82
Shakti Pumps Pty Ltd., Australia *	-	-	0.26%	19.95
Shakti Pumps (Shanghai) Limited, China	0.03%	9.86	-0.10%	(7.87)
Shakti Pumps (Bangladesh) Ltd., Bangladesh	0.07%	25.27	0.05%	3.63
c) Minority Interest				
i) Indian	-	-	-	-
ii) Foreign	-	-	-	-
Total	**100%**	**34,060.94**	**100%**	**7,558.64**

Note :
*In the previous year, The company has disinvested its wholly owned subsidiary i.e (Shakti Pumps Pty Ltd., Australia). Effective dare of closure is 15th March, 2021. The Company has been recognised related loss of Rs 20.26 lacs.

42 Previous year figure have been regrouped / recast, wherever necessary, to correspond with the current year's classification / disclosure.

43 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
Chartered Accountants
ICAI Firm Registration No. : 122384W

PHGandhi

Premal Gandhi
Partner
M.No.111592
UDIN: 22111592AIGKWP3921

PGS & ASSOCIATES FRN 0122384W MUMBAI Chartered Accountants

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

Dinesh Patel
Chief Financial Officer

Ravi Patidar
Company Secretary
M. No. ACS 32328

Place: Pithampur
Date: May 02, 2022

SHAKTI PUMPS (INDIA) LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL YEAR 2020-21

PGS & Associates

Chartered Accountants

301, Laxmi Krupa,3rd Lokmanya Tilak Colony Road, Near Yogi Sabhagruh, Dadar (East), Mumbai 400014.
Tele ✡24133171✡ 24182121✡E-mail: premal@pgsca.in

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 2021, 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 2021, 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 (SAs) specified under section 143(10) of the Act. 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 there under, 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.

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

PGS & ASSOCIATES FRN 0122384W MUMBAI Chartered Accountants

1	**Evaluation of uncertain tax positions** The Group has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 32 to the Consolidated Financial Statements	**<u>Principal Audit Procedures</u>** Obtained details of completed tax assessments and demands for the year ended March 31, 2021 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, 2020 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.

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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)(i) 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.

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

PGS & ASSOCIATES FRN 122384W MUMBAI Chartered Accountants

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 statements, whose financial statements reflect total assets of Rs. 9,240.20 lacs as on 31 March 2021. Total revenues of Rs. 19,335.55 lacs, total net (loss)/profit after tax of Rs.1,508.99 lacs and total comprehensive income/(loss) of Rs. 1,397.13 lacs for the period from 01 April 2020 to March 31, 2021 respectively as considered in the Statement. These financial statements 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 2021 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 2021, 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.

PGS & ASSOCIATES FRN 0122384W MUMBAI Chartered Accountants

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, 2021 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;

i) 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 32;
   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
UDIN: 21111592AAAACS3627

PGS & ASSOCIATES FRN 0122384W MUMBAI Chartered Accountants

Premal Gandhi
Partner
Membership Number: 111592
Place: Mumbai
Date: May 17, 2021

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, 2021, 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.

PGS & ASSOCIATES FRN 122384W MUMBAI Chartered Accountants

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

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, 2021, 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
UDIN: 21111592AAAACS3627

PGS & ASSOCIATES
FRN 0122384W
MUMBAI
Chartered Accountants

Premal Gandhi
Partner
Membership Number: 111592

Place: Mumbai
Date: May 17, 2021

SHAKTI PUMPS (INDIA) LIMITED
CIN : L29120MP1995PLC009327
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

(Rs. in Lacs)

		Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
I		**ASSETS**			
	1	**Non - Current Assets**			
	(a)	Property, Plant and Equipment	3	14,313.41	14,930.50
	(b)	Capital Work-In-Progress	3	57.92	45.97
	(c)	Intangible Assets	4	421.88	388.73
	(d)	Intangible Assets Under Development	4	18.01	23.53
	(e)	Financial Assets	5		
		(i) Investments	5.1	0.02	0.02
	(f)	Non-Current Tax Assets (Net)	6	1,734.43	1,215.44
	(g)	Other Non-Current Assets	7	408.13	480.88
		Total Non-Current Assets		**16,953.80**	**17,085.07**
	2	**Current Assets**			
	(a)	Inventories	8	13,340.68	14,455.17
	(b)	Financial Assets	9		
		(i) Trade Receivables	9.1	26,456.75	12,526.32
		(ii) Cash And Cash Equivalents	9.2	2,157.43	660.35
		(iii) Bank Balance Other than Above	9.3	1,989.84	3,191.28
		(iv) Other Financial Assets	9.4	374.43	622.10
	(c)	Current Tax Assets (Net)	10	-	460.32
	(d)	Other Current Assets	11	5,775.06	5,060.34
		Total Current Assets		**50,094.19**	**36,975.88**
		Total Assets		**67,047.99**	**54,060.95**
II		**EQUITY AND LIABILITIES**			
		Equity			
	(a)	Equity Share Capital	12	1,838.02	1,838.02
	(b)	Other Equity	13	32,222.92	24,677.00
		Total Equity		**34,060.94**	**26,515.01**
		Liabilities			
	1	**Non-Current Liabilities**			
	(a)	Financial Liabilities	14		
		(i) Borrowings	14.1	1,991.66	2,611.30
		(ii) Other Financial Liabilities	14.2	43.75	41.62
	(b)	Provisions	15	564.36	563.38
	(c)	Deferred Tax Liabilities (Net)	16	1,155.72	81.65
		Total Non-Current Liabilities		**3,755.49**	**3,297.94**
	2	**Current Liabilities**			
	(a)	Financial Liabilities	17		
		(i) Borrowings	17.1	6,970.86	15,838.97
		(ii) Trade Payables	17.2		
		- Dues of Micro and Small Enterprise		5,938.94	2,546.94
		- Dues of Other than Micro and Small Enterprise		10,424.89	2,595.70
		(iii) Other Financial Liabilities	17.3	4,954.68	2,239.46
	(b)	Provisions	18	17.03	34.79
	(c)	Other Current Liabilities	19	592.34	992.15
	(d)	Current Tax Liabilities (Net)	20	332.82	-
		Total Current Liabilities		**29,231.56**	**24,248.00**
		Total Equity And Liabilities		**67,047.99**	**54,060.95**
		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 43		

As per our report of even date

For PGS & Associates
ICAI Firm Registration No. : 122384W
Chartered Accountants

PGS & ASSOCIATES FRN 0122384W MUMBAI Chartered Accountants

Premal Gandhi
Partner
M.No.111592
UDIN: 21111592AAAACS3627

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

Dinesh Patel
Chief Financial Officer

Ravi Patidar
Company Secretary
M. No. ACS 32328

Place: Pithampur
Date: May 17, 2021

SHAKTI PUMPS (INDIA) LIMITED
CIN : L29120MP1995PLC009327

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in Lacs)

	Particulars	Note No.	2020-21	2019-20
I	Revenue from Operations	21	92,966.14	38,282.26
II	Other Income	22	377.12	408.88
III	**Total Revenue (I+II)**		**93,343.26**	**38,691.14**
IV	**Expenses**			
	Cost of Materials Consumed	23	63,838.80	26,596.79
	Purchase of Stock-in-Trade		-	-
	Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	24	1,829.54	(1,703.83)
	Employee Benefits Expenses	25	4,363.71	5,382.91
	Finance Costs	26	1,621.14	2,079.23
	Depreciation and Amortisation Expense	27	1,836.46	1,719.69
	Other Expenses	28	8,728.98	6,781.43
	Total Expenses (IV)		**82,218.63**	**40,856.22**
V	**Profit/(loss) before Exceptional Items and Tax (III-IV)**		**11,124.63**	**(2,165.07)**
VI	Exceptional Items		-	-
VII	**Profit/ (loss) before Tax(V-VI)**		**11,124.63**	**(2,165.07)**
VIII	**Tax Expense:**			
	(1) Current Tax		2,491.92	184.68
	(2) Excess/Short Provision of Tax		-	148.74
	(3) Deferred Tax		1,074.07	(1,090.85)
IX	**Profit/(loss) for the year (VII-VIII)**		**7,558.64**	**(1,407.64)**
X	**Other Comprehensive Income**			
(A)	(i) Items that will not be reclassified to profit or loss			
	Re-measurement gains/(loss) on defined benefit plans		71.37	(53.72)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(24.70)	-
(B)	(i) Items that will be reclassified to profit or loss			
	Unrealised exchange gain/(loss)		(111.85)	30.91
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Total Comprehensive Income for the year (X)		**(65.19)**	**(22.81)**
XI	**Total Comprehensive Income /Loss for the year (IX+X)**		**7,493.46**	**(1,430.45)**
XII	Earnings per equity share [nominal value of share Rs. 10/-]	29		
	(1) Basic		41.12	(7.66)
	(2) Diluted		41.12	(7.66)

As per our report of even date

For PGS & Associates
ICAI Firm Registration No. : 122384W
Chartered Accountants

PGS & ASSOCIATES FRN 0122384W MUMBAI Chartered Accountants

Premal Gandhi
Partner
M.No.111592
UDIN: 21111592AAAACS3627

Place: Pithampur
Date: May 17, 2021

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

Dinesh Patidar
Chairman and Managing Director
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Dinesh Patel
Chief Financial Officer

Ravi Patidar
Company Secretary
M. No. ACS 32328

SHAKTI PUMPS (INDIA) LTD.
CIN : L29120MP1995PLC009327
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in Lacs)

	Particulars	For the Year Ended March 31, 2021		For the Year Ended March 31, 2020	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit & loss before tax as per profit & Loss Account		11,124.63		(2,165.07)
	Adjusted For :				
	Depreciation and Amortisation Expense	1,836.46		1,719.69	
	Interest Income	(153.26)		(107.57)	
	Interest Paid	1,235.39		1,702.98	
	Provision for Doubtful Debts/ Security Deposits	61.25		-	
	Re-measurement (gains) / loss on defined benefit plans	71.37		(53.72)	
	Unrealised exchange (gain)/loss (net)	(59.38)		45.03	
	Profit /Loss on sale of property, plant and equipment (net)	2.67		(27.42)	
			2,994.50		3,278.99
	Operating Profit Before Working Capital Changes		**14,119.13**		**1,113.92**
	Adjusted For :				
	(Increase)/Decrease in Trade and Other Receivables	(14,307.83)		7,652.98	
	(Increase)/Decrease in Inventories	1,114.48		(898.45)	
	Increase/(Decrease) in Trade and other payables	13,381.07		(2,073.20)	
			187.72		4,681.33
	Net Cash Flow From Operating Activities		**14,306.85**		**5,795.25**
	Income taxes (paid)/refund (net)	(2,242.47)		(761.21)	
			(2,242.47)		(761.21)
	Net Cash Flow From/(Used In) Operating Activities (A)		**12,064.38**		**5,034.04**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property, Plant and Equipment	(1,249.17)		(1,751.48)	
	Purchase of Intangible Assets	(64.49)		(232.68)	
	Movement in Advance for Capital Goods	(2.84)		89.64	
	Movement in Capital Work-in-Progress	(6.43)		(11.59)	
	Sale of Fixed Assets	58.48		135.09	
	Interest Received	77.96		89.19	
	(Deposits)/Redemption with banks	1,201.44		(1,822.62)	
	Net Cash Flow From/(Used In) Investing Activities (B)		**14.95**		**(3,504.45)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Long Term Borrowings	290.00		2,336.15	
	Repayment of Long term borrowings	(782.81)		(1,867.21)	
	Proceeds/(Repayment) from Short Term Borrowings (Net)	(8,868.11)		995.16	
	Dividend Paid including tax thereon	-		(1,107.91)	
	Interest Paid	(1,221.32)		(1,756.87)	
	Net Cash Flow From/(Used In) Financing Activities (C)		**(10,582.24)**		**(1,400.68)**
	Net Change in Cash & Cash Equivalents (A+B+C)		1,497.09		128.91
	Cash & Cash Equivalents at the beginning of the year		660.35		531.44
	Cash & Cash Equivalents at the end of the year		**2,157.43**		**660.35**

Note : 1. Figures in brackets represent Cash Outflow

2. Cash and Cash Equivalents comprise of :

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash in Hand	4.34	2.47
Balance with Scheduled Banks	570.14	549.38
Fixed Deposit with Maturity Less than three months	1,582.95	108.51
Total	**2,157.43**	**660.35**

As per our report of even date
For PGS & Associates
ICAI Firm Registration No. : 122384W
Chartered Accountants

PGS & ASSOCIATES FRN 0122384W MUMBAI Chartered Accountants

Premal Gandhi
Partner
M.No.111592
UDIN: 21111592AAAACS3627

Place: Pithampur
Date: May 17, 2021

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

Dinesh Patel
Chief Financial Officer

Ravi Patidar
Company Secretary
M. No. ACS 32328

SHAKTI PUMPS (INDIA) LTD.
CIN : L29120MP1995PLC009327
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

a. EQUITY SHARE CAPITAL (Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
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		Capital Reserve	Securities Premium Reserve	Foreign Exchange Fluctuation Reserve	Total Equity
	Surplus in P/L Statement	General Reserve				
Balance as at March 31, 2019	**8,672.00**	**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
Remeasurement Gain/Loss - Other Comprehensive Income	(53.72)	-	-	-	-	(53.72)
Unrealised Gain/Loss - Other Comprehensive Income	30.91	-	-	-	-	30.91
Balance as at March 31, 2020	**6,133.64**	**9,636.71**	**49.87**	**8,797.81**	**58.97**	**24,677.00**
Profit for the year	7,558.64	-	-	-	-	7,558.64
Foreign currency translation reserve	-	-	-	-	52.47	52.47
Remeasurement Gain/Loss - Other Comprehensive Income	46.67	-	-	-	-	46.67
Unrealised Gain/Loss - Other Comprehensive Income	(111.85)	-	-	-	-	(111.85)
Balance as at March 31, 2021	**13,627.09**	**9,636.71**	**49.87**	**8,797.81**	**111.44**	**32,222.92**

As per our report of even date
For PGS & Associates
ICAI Firm Registration No. : 122384W
Chartered Accountants

PGS & ASSOCIATES FRN 0122384W MUMBAI Chartered Accountants

Premal Gandhi
Partner
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For and on behalf of the Board of Directors of
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Dinesh Patidar
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Dinesh Patel
Chief Financial Officer

Ravi Patidar
Company Secretary
M. No. ACS 32328

Shakti Pumps (India) Limited
CIN: L29120MP1995PLC009327
Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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 2021:

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. (Discontinue from 15th March 2021)	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".

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.

RGS & ASSOCIATES FRN 122384W MUMBAI Chartered Accountants

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) 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 recognised 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.

PGS & ASSOCIATES
FRN 0122384W
MUMBAI
Chartered Accountants

NON - CURRENT ASSETS

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

(Rs. in Lacs)

Particulars	Other than Research and Development								Research and Development					Right of use Asset-Leases	Total	Capital work-in-progress
	Freehold Land	Buildings	Plant & Machinery	Die and Tools	Computers	Furniture & Fixtures	Motor Vehicles	Office Equipment	Plant and Machinery	Die and Tools	Computers	Furniture & Fixtures	Office Equipment's			
Gross Carrying Amount																
As at March 31, 2019	**415.86**	**3,610.36**	**8,587.77**	**8,446.16**	**652.46**	**601.15**	**260.43**	**527.00**	**49.16**	**185.72**	**2.87**	**0.76**	**29.50**	**-**	**23,369.22**	**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**	**8,978.52**	**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**
Additions	-	12.04	527.02	552.96	14.16	30.11	0.03	31.76	-	26.72	0.20	-	50.51	-	1,245.50	11.95
Sales/Disposals/Adjustments	-	0.10	110.70	-	36.96	0.02	-	0.02	-	0.13	-	-	0.11	-	148.04	-
As at March 31, 2021	**415.86**	**4,660.18**	**9,394.83**	**9,941.08**	**654.84**	**657.40**	**260.47**	**704.02**	**49.16**	**267.64**	**29.35**	**3.44**	**86.89**	**56.34**	**27,181.48**	**57.92**
Accumulated Depreciation																
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**	**-**
Charge for the Year	-	132.59	557.62	868.92	65.66	49.17	25.30	62.11	3.11	29.83	4.64	0.33	3.96	1.88	1,805.12	-
Sales/Disposals/Adjustments	-	0.01	49.40	1.40	38.80	0.19	0.29	0.50	-	-	-	-	-	-	90.59	-
As at March 31, 2021	**-**	**862.46**	**4,128.32**	**6,426.52**	**511.65**	**405.23**	**150.30**	**293.45**	**7.00**	**62.46**	**8.19**	**0.69**	**8.99**	**2.81**	**12,868.07**	**-**
Net Block																
As at March 31, 2020	**415.86**	**3,918.36**	**5,358.41**	**3,829.13**	**192.86**	**271.06**	**135.14**	**440.45**	**45.27**	**208.42**	**25.60**	**3.08**	**31.46**	**55.41**	**14,930.50**	**45.97**
As at March 31, 2021	**415.86**	**3,797.72**	**5,266.51**	**3,514.56**	**143.19**	**252.17**	**110.16**	**410.58**	**42.16**	**205.17**	**21.16**	**2.75**	**77.90**	**53.53**	**14,313.41**	**57.92**

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. 169.07 Lacs. as at March 31, 2021 (Rs. 5.27 Lacs. as at March 31, 2020).

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)

Shakti Pumps (India) Limited
CIN : L29120MP1995PLC009327
Notes to the Consolidated Financial Statements for the year ended March 31, 2021

NON - CURRENT ASSETS

4. INTANGIBLE ASSETS

(Rs. in Lacs)

Particulars	Computer Softwares	Intangible Assets Under Development
Gross Carrying Amount		
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**
Additions	58.40	0.43
Capitalised during the year	-	(5.96)
Sales/Disposals/Adjustments	(41.53)	-
As at March 31, 2021	**522.36**	**18.01**
Accumulated Depreciation		
As at March 31, 2019	**10.40**	-
Charge for the Year	23.30	-
Sales/Disposals/Adjustments	-	-
As at March 31, 2020	**33.70**	-
Charge for the Year	31.35	-
Disposals/Adjustments	(35.44)	-
As at March 31, 2021	**100.48**	-
Net Block		
As at March 31, 2020	**388.73**	**23.53**
As at March 31, 2021	**421.88**	**18.01**

PGS & ASSOCIATES
FRN 0122384W
MUMBAI
Chartered Accountants

NON-CURRENT ASSETS

5 Financial Assets

5.1 Investments (At Cost) (Unquoted fully paid-up unless otherwise stated) (Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
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)

Particulars	As at March 31, 2021	As at March 31, 2020
Net Income Tax Assets	1,734.43	1,215.44
Total	**1,734.43**	**1,215.44**

7 Other Non-Current Assets (Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good)		
(i) Security Deposits	247.17	-
(ii) Balances with Government Authorities	135.57	458.33
(iii) Capital Advances	25.39	22.55
Total	**408.13**	**480.88**

CURRENT ASSETS

8 Inventories (Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Raw Material	5,491.81	4,756.95
(ii) Packing Material & Consumables	184.71	257.28
(iii) Work In Process	3,019.27	2,795.63
(iv) Finished Goods	4,267.31	6,320.48
(v) Stock in Transit	377.59	324.81
Total	**13,340.68**	**14,455.17**

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)

9 Financial Assets

9.1 Trade Receivables (Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, at amortised cost)		
(i) Considered good	26,456.75	12,526.32
(ii) Considered doubtful	27.51	9.00
Less : Provision for expected credit Loss	(27.51)	(9.00)
Total	**26,456.75**	**12,526.32**

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 terms of 30 to 180 days.

3 Related party transactions & balance {Refer note no. 36}

PGS & ASSOCIATES ★ Chartered Accountants ★ FRN 012884W MUMBAI

9.2 Cash and Cash Equivalents (Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Cash in Hand	4.34	2.47
(ii) Balance with Scheduled Banks :		
(a) In Current Accounts	570.14	549.38
(b) Fixed Deposit with Maturity less than 3 Months	1,582.95	108.51
Total	**2,157.43**	**660.35**

9.3 Other Bank Balances (Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) In Fixed Deposit Accounts	1,972.46	3,171.47
(ii) Unclaimed Dividend	17.37	19.81
Total	**1,989.84**	**3,191.28**

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 Others Financial Assets (Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured- considered good)		
(i) Security Deposits	268.78	591.75
(ii) Interest Receivable on Fixed Deposits with Bank	105.65	30.35
Total	**374.43**	**622.10**

10 Current Tax Assets (Net) (Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Net Income Tax Assets	-	460.32
Total	**-**	**460.32**

11 Other Current Assets (Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured- considered good)		
(i) Prepaid Expenses	361.62	300.39
(ii) Advance to Suppliers	517.30	198.84
(iii) Statutory and Other Receivables	4,896.14	4,561.11
Total	**5,775.06**	**5,060.34**

PGS & ASSOCIATES FRN 122384W MUMBAI Chartered Accountants

Shakti Pumps (India) Limited
CIN : L29120MP1995PLC009327
Notes to the Consolidated Financial Statements for the year ended March 31, 2021

12 Share Capital

(Rs. in Lacs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Authorised :				
Equity Shares of Rs.10/- each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
15 % Compulsory Convertible Preference Shares of Rs.100/- each	15,00,000	1,500.00	15,00,000	1,500.00
Total	**2,65,00,000**	**4,000.00**	**2,65,00,000**	**4,000.00**
Issued & Subscribed :				
Equity shares of Rs.10/- each	1,85,60,356	1,856.04	1,85,60,356	1,856.04
15 % Compulsory Convertible Preference Shares of Rs.100/- each	-	-	-	-
Total	**1,85,60,356**	**1,856.04**	**1,85,60,356**	**1,856.04**
Paid Up Capital :				
Equity Shares of Rs.10/- each	1,83,80,156	1,838.02	1,83,80,156	1,838.02
15 % Compulsory Convertible Preference Shares of Rs.100/- each	-	-	-	-
Total	**1,83,80,156**	**1,838.02**	**1,83,80,156**	**1,838.02**

12.1 Terms/rights attached to the equity shares :

(i) The Company has only one class of equity shares having a par value of Rs. 10/- per share.

(ii) 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.

(iii) 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)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	1,83,80,156	1,838.02	1,83,80,156	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	**1,83,80,156**	**1,838.02**	**1,83,80,156**	**1,838.02**

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

Name of the Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% held	No. of Shares	% held
Mr. Dinesh Patidar	37,68,100	20.50%	36,85,000	20.05%
Mr. Sunil Patidar	15,62,200	8.50%	15,62,200	8.50%
Mr. Ankit Patidar	15,00,000	8.16%	15,00,000	8.16%
AF Holdings	4,18,552	2.28%	16,36,363	8.90%
Shakti Irrigation India Limited	9,32,000	5.07%	-	-

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13 Other Equity (Rs. in Lacs)

Particulars	Retained Earnings		Capital Reserve	Securities Premium Reserve	Foreign Exchange Fluctuation Reserve	Total
	Surplus in P/L Statement	General Reserve				
Balance as at March 31, 2019	**8,672.00**	**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 for the year	(1,407.64)	-	-	-	-	(1,407.64)
Foreign currency translation reserve	-	-	-	-	14.08	14.08
Remeasurement Gain/Loss - Other Comprehensive Income	(53.72)	-	-	-	-	(53.72)
Unrealised Gain/Loss - Other Comprehensive Income	30.91	-	-	-	-	30.91
Balance as at March 31, 2020	**6,133.64**	**9,636.71**	**49.87**	**8,797.81**	**58.97**	**24,677.00**
Add/(Less):						
Appropriations/Adjustments :						
Profit for the year	7,558.64	-	-	-	-	7,558.64
Foreign currency translation reserve	-	-	-	-	52.47	52.47
Remeasurement Gain/Loss - Other Comprehensive Income	46.67	-	-	-	-	46.67
Unrealised Gain/Loss - Other Comprehensive Income	(111.85)	-	-	-	-	(111.85)
Balance as at March 31, 2021	**13,627.09**	**9,636.71**	**49.87**	**8,797.81**	**111.44**	**32,222.92**

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NON-CURRENT LIABILITIES

14 Financial Liabilities

14.1 Non Current Borrowings

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Term Loans:		
(i) Term loan from Bank		
Rupee Loan	1,975.18	2,236.58
Foreign Currency Loan	977.87	1,163.75
Other:		
(ii) Vehicle Loan from Bank	7.24	52.78
Less: Current Maturities of Long Term Borrowings	(968.63)	(841.81)
Total	**1,991.66**	**2,611.30**

(a) Interest rate of the above loan in range between 6.00% to 10.20%

(b) Borrowings from banks are secured by way of :-

(i) First parri passu charge on both present and/or future, movable & immoveable property, plant & equipements.

(ii) Second parri passu charge on both present and/or future, current assets including inventories & receivables.

(c) Amount payable during next 12 months, disclosed under the head "Other Financial Liabilities [Current]" (Note No. 17.3)

(d) Vehicle Loans are secured by respective vehicles.

(e) Corporate Guarantee of holding company for loan of subsidiary company.

(f) Maturity Profile of the above loan as below :

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Within One year	968.63	841.81
(ii) Two to Five years	1,991.66	2,611.30
(iii) More than Five years	-	-
Total	**2,960.29**	**3,453.11**

14.2 Other Finacial Liabilities

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Lease Liability Payable	43.75	41.62
Total	**43.75**	**41.62**

Amount payable during next 12 months, disclosed under the head "Other Financial Liabilities [Current]" (Note No. 17.3)

Disclosures as required by Ind AS 116 'Lease' are stated below

(a) Lease Liability Movement

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance /Transaction Adjustment	47.11	-
Add: Addition during the year	2.57	49.68
Interest on lease liability	5.05	2.92
Less: Lease rental payments	(5.49)	(5.49)
Total	**49.24**	**47.11**

(b) Maturity Analysis of Lease Liabilities

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Not later than one year	5.49	1.66
(ii) Later than one year but not later than five years	21.96	6.62
(iii) Later than five years	21.79	38.83
Total	**49.24**	**47.11**

15 Provisions (Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits :		
(i) Gratuity Payable	508.86	502.52
(ii) Leave Encashment	55.50	60.86
Total	**564.36**	**563.38**

{Refer provision for employee benefits note no.34}

16 Deferred Tax Liabilities (Net) (Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Tax effect of items constituting deferred tax liabilities:		
(i) Property, plant and equipment	1,274.77	85.58
Tax effect of items constituting deferred tax assets:		
(i) Mat Credit Entitlement	(119.04)	(3.92)
Total	**1,155.72**	**81.65**

CURRENT LIABILITIES

17 Financial liabilities

17.1 Current Borrowings (Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Secured Loans		
Loans Repayable on Demand from Banks:		
Rupee Loans	4,914.83	12,799.52
(ii) Unsecured Loan		
Loans Repayable on Demand from Banks:		
Rupee Loans	2,056.03	2,039.45
Loans Repayable on Demand from Others:		
Rupee Loans	-	1,000.00
Total	**6,970.86**	**15,838.97**

(a) Interest rate of the above loan in range between 4.90% to 8.95%

(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 & equipements.

(iii) Personal Guarantee of Directors.

(iv) Corporate Guarantee of holding company for loan of subsidiary company.

17.2 Trade payables (Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Dues to Micro, Small and Medium Enterprises	5,938.94	2,546.94
(ii) Dues to other than Micro, Small and Medium Enterprises	10,424.89	2,595.70
Total	**16,363.83**	**5,142.64**

Related party transactions & balance {Refer note no. 36}

Amounts due to Micro, Small and Medium Enterprises

Outstanding to Micro, Small and Medium Enterprise : Rs. 5938.94 Lacs Previous Year : Rs. 2546.94 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:

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(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount due and remaining unpaid	5,938.94	2,546.94
(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, 2021	As at March 31, 2020
(i) Current Maturities of Long Term Borrowings	968.63	841.81
(ii) Unclaimed Dividend *	17.37	19.81
(iii) Security Deposits Payable	89.38	95.48
(iv) Creditors for Service & Others	1,365.68	434.11
(v) Lease Liability Payable	5.49	5.49
(vi) **Other Payables :**		
-Employee Dues	311.17	369.04
-Others	2,196.94	473.72
Total	**4,954.68**	**2,239.46**

* 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, 2021	As at March 31, 2020
(i) Term Loan from Banks	961.39	817.99
(ii) Vehicle Loan from Banks	7.24	23.82
Total	**968.63**	**841.81**

18 Provisions (Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits :		
(i) Gratuity Payable	13.42	21.83
(ii) Leave Encashment	3.61	12.96
Total	**17.03**	**34.79**

{Refer provision for employee benefits note no.34}

19 Other Current Liabilities (Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Advance from Customers	414.91	504.02
(ii) Other Payables	73.64	414.78
(iii) Duties and Taxes payable	103.79	73.35
Total	**592.34**	**992.15**

20 Current Tax Liabilities (Net) (Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Provision for Income Tax (Net)	332.82	-
Total	**332.82**	-

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REVENUE FROM OPERATION

21 Sale of Products (Rs. in Lacs)

Particulars	2020-21	2019-20
(i) Domestic Sales	73,102.91	24,158.26
(ii) Export Sales	18,001.59	12,793.64
(iii) Other Operating Income	1,861.63	1,330.36
Total	**92,966.14**	**38,282.26**

(a) Other Operating Income includes : (Rs. in Lacs)

Particulars	2020-21	2019-20
(i) Export benefits	389.72	311.18
(ii) Scrap Sales	1,389.83	1,004.29
(iii) Income from Services	62.79	-
(iv) Other Operating Income	19.28	14.89
Total	**1,861.63**	**1,330.36**

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)

Customer Type	2020-21	2019-20
Customers under Government Projects	54,226.53	12,195.24
Industrial Customers	1,747.87	1,864.33
OEM Customers	8,590.04	4,606.00
Export Customers	18,001.59	12,793.64
Other Customers	10,400.10	6,823.05
Total	**92,966.14**	**38,282.26**

22 Other Income (Rs. in Lacs)

Particulars	2020-21	2019-20
(i) Interest Income	153.26	107.57
(ii) Rent Received	13.31	11.27
(iii) Others	210.55	290.05
Total	**377.12**	**408.88**

EXPENSES

23 Cost of Material Consumed (Rs. in Lacs)

Particulars	2020-21	2019-20
Opening Stock of Raw Material	5,014.24	5,852.03
Add Purchase of Raw Material	64,878.67	25,759.01
	69,892.91	**31,611.03**
Less: Closing Stock of Raw Material	6,054.11	5,014.24
Total	**63,838.80**	**26,596.80**

24 Changes in Inventories of Finished Goods, Stock-In-Trade and Work-In-Progress (Rs. in Lacs)

Particulars	2020-21	2019-20
Inventories (at Close)		
(i) Finished Goods/Stock in Trade	4,267.31	6,320.48
(ii) Work-In-Progress	3,019.27	2,795.63
Total	**7,286.57**	**9,116.12**
Inventories (at Opening)		
(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**
Change in Inventories	**1,829.54**	**(1,703.83)**

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25 Employee Benefit Expenses (Rs. in Lacs)

Particulars	2020-21	2019-20
(i) Salaries, Wages and Bonus	4,020.14	4,908.28
(ii) Contribution to Provident and Other Funds	232.94	258.02
(iii) Staff Welfare Expenses	110.64	216.61
Total	**4,363.71**	**5,382.91**

26 Finance Cost (Rs. in Lacs)

Particulars	2020-21	2019-20
(i) Interest to Bank	1,228.87	1,696.90
(ii) Interest to Other	6.52	6.08
(iii) Other Borrowing Costs	385.75	376.25
Total	**1,621.14**	**2,079.23**

27 Depreciation and Amortisation Expense

Particulars	2020-21	2019-20
(i) Depreciation	1,803.24	1,695.46
(iii) Amortisation	33.22	24.23
Total	**1,836.46**	**1,719.69**

28 Other Expenses (Rs. in Lacs)

Particulars	2020-21	2019-20
(i) Power & Fuel	223.94	266.40
(ii) Job Work Expenses	117.97	240.39
(iii) Clearing & Forwarding Charges	86.67	180.75
(iv) Freight Charges	794.13	812.70
(v) Travelling Expenses	109.56	889.60
(vi) Advertising Expenses	159.58	343.25
(vii) ECGC Premium	28.15	20.80
(viii) Selling & Distribution Expenses	3,938.99	1,753.37
(ix) Legal, professional and consultancy charges	343.92	323.08
(x) Rent	86.75	131.91
(xi) Manufacturing Expenses	829.26	381.56
(xii) Auditors Remuneration	6.33	8.59
(xiii) Corporate Social Responsibility Expenses	114.76	25.01
(xiv) Rates and taxes	182.62	298.25
(xv) Repair & Maintenance	107.96	76.43
(xvi) Conveyance Expenses	207.00	252.47
(xvii) Communication Expenses	134	113.60
(xviii) Directors Remuneration	907.16	383.10
(xix) Office & Administrative Expenses	185.40	201.77
(xx) Bad Debts Written off	24.06	26.18
(xxi) Provision for Doubtful Debts / Security Deposits	61.25	-
(xxii) Donations and Contributions	25.00	2.35
(xxiii) Software Maintenance Expenses	49.95	47.56
(xxiv) Miscellaneous Expenses	4.69	2.31
Total	**8,728.98**	**6,781.43**

28.1 Payment To Auditors : (Rs. in Lacs)

Particulars	2020-21	2019-20
(i) For Audit	5.00	5.00
(ii) For Taxation Matters	-	-
(iii) For Other Services-Including components auditor	1.33	3.59
Total	**6.33**	**8.59**

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28.2 Corporate Social Responsibility Expenses : (Rs. in Lacs)

Nature of expenditure	2020-21	2019-20
(i) Initiative for Moral & Cultural Training Foundation	-	0.40
(ii) School Fees of poor childs thru Shakti Foundation	-	11.00
(iii) Donation to Shakti Foundation	83.23	-
(iv) Other Donations (i.e. School/Jila Collector	26.00	1.00
(v) Covid - 19 Expenses	0.63	-
(vi) Installation of Solar Pumps at School/Colleges, Gram Panchayat, Temple	4.90	12.61
Total	**114.76**	**25.01**

Pursuant to the Companies Act, 2013 gross amount required to be spent by the Company towards CSR for the year 2020-21 is Rs 114.76 Lacs (31st March, 2020, Rs. 44.17 Lacs).

29 Earnings Per Share (Rs. in Lacs)

Particulars	2020-21	2019-20
Profit / (Loss) for the year as per Statement of Profit and Loss	**7,558.64**	**(1,407.64)**
Weighted Average Number of Shares	1,83,80,156	1,83,80,156
Face Value of Share (Rs.)	10.00	10.00
Basic Earning Per Share	41.12	(7.66)
Diluted Earning Per Share	41.12	(7.66)

30 Proposed Dividend

A dividend at the rate of 80% i.e. Rs.8/- per equity share is recommended by the Board of Directors at their meeting held on May 17, 2021 which is subject to approval at the ensuing Annual General Meetings, and if approved will be payable within the statutory time limits of 30 Days.

31 Research & Development (Rs. in Lacs)

Nature of Expenditure	2020-21	2019-20
(i) Capital Expenditure	77.32	91.28
(ii) Revenue Expenditure	253.06	302.38
Total Expenditure Incurred	**330.38**	**393.67**
Less: Income Earned by R&D	0.25	-
Net Expenditure Incurred	**330.13**	**393.67**

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)

32 Contingent Liabilities (Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Bank Guarantee Outstanding	7,962.33	8,636.40
(ii) Unexpired Letter of Credit	6,834.21	1,120.23
(iii) Commercial Tax Demand under Dispute	94.38	188.38
(iv) Income Tax Demand Under Dispute	3,759.64	3,759.64
(v) Custom Duty Demand Under Dispute	971.95	654.15
Less : Provision for Doubtful Assets	(280.49)	(199.54)
Total	**19,342.02**	**14,159.27**

33 Expenditure in Foreign Currency on Account of : (Rs. in Lacs)

Particulars	2020-21	2019-20
(i) Exhibition & Promotional Expenses	-	13.17
(ii) Travelling Expenses	8.45	238.00
(iii) Advertisement Expenses	1.58	-
(iv) Commission on Sales	20.33	14.66
(v) Software Development Expenses	12.18	11.61
(vi) Legal, Professional and Consultancy charges	0.55	0.27
(vii) Testing & Other Charges	5.77	6.01
Total	**48.84**	**283.72**

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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	2020-21	2019-20
Employers Contribution to Provident Fund/ Pension Fund	127.00	149.29
Employers Contribution to ESIC	4.32	7.49
Total	**131.33**	**156.78**

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	
	2020-21	2019-20	2020-21	2019-20
Present value of obligation at the end of year	59.11	73.81	542.28	567.54
Fair value of plan assets at the end of year	-	-	20.00	43.19
Net liability recognized in the Balance Sheet	**59.11**	**73.81**	**522.28**	**524.35**

The amounts recognized in the Statement of Profit and Loss are as follows: (Rs. In Lacs)

Particulars	Leave Encashment		Gratuity	
	2020-21	2019-20	2020-21	2019-20
Current Service Cost	9.50	15.04	52.34	64.12
Interest Cost	4.93	4.69	35.09	32.36
Past Service Cost	-	-	-	-
Benefits Paid	-	-	-	-
Recognized Net Actuarial (Gain)/ Loss	(23.53)	0.64	-	-
Total, included in Employee Benefit Expenses	**(9.09)**	**20.37**	**87.43**	**96.48**

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	
	2020-21	2019-20	2020-21	2019-20
Defined benefit obligation at beginning of the year	73.81	60.86	567.54	443.50
Current Service Cost	9.50	15.04	52.34	64.12
Past Service Cost	-	-	-	-
Interest Cost	4.93	4.69	38.48	34.77
Benefits Paid	(5.61)	(7.41)	(43.62)	(30.01)
Actuarial (Gain)/ Loss	(23.53)	0.64	(72.46)	55.16
Defined benefit obligation at the end of the year	**59.11**	**73.81**	**542.28**	**567.54**

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The Financial assumptions used in accounting for the Gratuity Plan & Leave Encashment are set out below: **(Rs. In Lacs)**

Particulars	Leave Encashment		Gratuity	
	2020-21	2019-20	2020-21	2019-20
(i) Discount Rate	7.09%	6.78%	7.09%	6.78%
(ii) Salary Escalation Rate	6.00%	6.00%	6.00%	6.00%
(iii) Expected Rate of Return on Plan Assets	None	None	7.84%	7.44%

The Demographic assumptions used in accounting for the gratuity plan & leave encashment are set out below: **(Rs. In Lacs)**

Particulars	Leave Encashment		Gratuity	
	2020-21	2019-20	2020-21	2019-20
(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	2021	100 Basis Points	(72.11)	87.81
	2020	100 Basis Points	(76.95)	94.05
(ii) Salary Growth Rate	2021	100 Basis Points	87.89	(73.41)
	2020	100 Basis Points	93.83	(78.13)

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	2021	100 Basis Points	(7.69)	9.46
	2020	100 Basis Points	(10.83)	13.47
(ii) Salary Growth Rate	2021	100 Basis Points	9.47	(7.83)
	2020	100 Basis Points	13.44	(11.00)

Gratuity : **(Rs. In Lacs)**

Expected Cash Flow for the Next Ten Years	March 31, 2021	March 31, 2020
Year 2021	-	22.32
Year 2022	13.86	14.69
Year 2023	38.84	42.43
Year 2024	26.79	31.42
Year 2025	21.88	26.80
Year 2026 - 2030	33.48	-
Year 2026 - 2030	-	318.93
Year 2027 - 2031	295.85	-

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.

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35 Income Tax Expenses

(Rs. In Lacs)

Particulars	2020-21	2019-20
(i) Profit or Loss Section		
Current Tax Expenses on Profit before tax	2,491.92	184.68
(Short)/Excess provision for tax relating to prior period	-	148.74
Deferred Tax	1,074.07	(1,090.85)
Total Income Tax Expenses Recognised in Statement of Profit & Loss	**3,565.99**	**(757.42)**
(ii) Other Comprehensive Income (OCI) Section		
Income tax charged to OCI	**(24.70)**	-
(iii) Reconciliation of Effective Tax Rate		
A) Profit Before Tax	11,124.63	(2,165.07)
B) Enacted Tax Rate In India	34.94%	34.94%
C) Expected Tax Expenses	3,887.39	(756.56)
D) **Tax Effect of**		
- Difference Between Book Depreciation And Tax Depreciation	4.78	83.44
- Deduction on account of Research and Development Expenses	(77.32)	(290.11)
- Other Provisions	(3,920.92)	2,900.26
E) **Net Adjustment**	**(3,993.46)**	**2,693.58**
F) Tax Expenses/(Saving) on Net Adjustment (E*B)	(1,395.47)	941.25
G) Current Tax Expenses Recognised In Statement of Profit & Loss (C+F)	2,491.92	184.68
H) Excess/(Short) Provision for tax relating to prior year	-	148.74
I) Changes on Account of Deferred Tax	1,074.07	(1,090.85)
Net Current Tax Expenses Recognised in Statement of Profit & Loss (G+H+I)	**3,565.99**	**(757.42)**

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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.
(iv) Vintex Tools Pvt. Ltd.
(ii) Arsh Industrial Solutions Pvt. Ltd.
(iii) Shakti Irrigation Pvt. Ltd.
(v) SPIL Energy LLP (Earlier known as "SPIL Energy Limited")

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	2020-21	2019-20
1	Shakti Irrigation India Ltd.	Purchase of Components	1,234.36	861.51
		Purchase of Asset	2.02	0.12
		Purchase of Drip Irrigation Pipes	0.11	0.16
		Sale of Pumps & Motors & other material	102.34	53.26
		Sale of Assets	0.11	11.07
2	Vintex Tools Pvt. Ltd.	Purchase of Dies & Other material	115.17	1,005.84
		Purchase of Assets	826.94	-
		Sale of Asset	-	449.07
		Sale of Spare parts	12.40	16.65
		Sale of Solar Structure Parts	0.53	2.75
3	Arsh Industrial Solutions Pvt. Ltd	Purchase of Nuts & Bolts	986.63	546.16
		Purchase of Solar Structure Accessories	9.71	211.54
		Purchase of Asset	19.24	
		Sale of Solar Structure Parts	0.65	60.28
		Sale of Asset	47.20	74.26
		Sale of Spare Parts	352.09	448.63
4	Shakti Irrigation Pvt. Ltd.	Purchase of Pipes	1,850.04	903.53
		Sale of Pumps, Motors & other material	5.19	0.23
		Sale of Asset	-	1.26
		Income from Rent	13.31	11.27
5	SPIL Energy LLP(Earlier known as "SPIL Energy Limited")	Purchase of Pumps, Motors & other material	-	11.60
		Sale of Solar Structure	-	11.05
6	Mr. Dinesh Patidar	Remuneration	450.00	312.03
		Sales Incentive	406.05	-
7	Mr. Sunil Patidar	Remuneration	9.65	12.00
		Other Allowances	0.60	0.87
8	Mr. Ramesh Patidar	Remuneration	32.33	32.55
		Sales Incentive	5.00	7.50
		Other Allowances	1.53	1.65
9	Mrs. Indira Patidar	Remuneration	2.00	24.00

(iii) Related Party Balance : **(Rs. In Lacs)**

S. No	Nature	Name of Party	As at March 31, 2021	As at March 31, 2020
1	Trade Receivables	Shakti Irrigation India Ltd.	61.45	47.31
		Vintex Tools Pvt. Ltd.	-	14.11
		Arsh Industrial Solutions Pvt. Ltd.	66.31	270.33
		Shakti Irrigation Private Ltd.	1.40	-
2	Trade Payables	Shakti Irrigation India Ltd.	70.57	199.97
		Vintex Tools Pvt. Ltd.	1,009.60	288.15
		Arsh Industrial Solutions Pvt. Ltd.	321.17	168.56
		Shakti Irrigation Private Ltd.	302.45	70.39
4	Creditors for Service & Others	Mrs. Indira Patidar	-	1.25

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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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial Assets at Amortised Cost				
Cash and Bank Balances	4,147.27	3,851.63	4,147.27	3,851.63
Other Financial Assets	374.43	622.10	374.43	622.10
Trade Receivables	26,456.75	12,526.32	26,456.75	12,526.32
Total	**30,978.44**	**17,000.05**	**30,978.44**	**17,000.05**
Financial Liabilities at Amortised Cost				
Trade Payables	16,363.83	5,142.64	16,363.83	5,142.64
Borrowings	9,931.15	19,292.08	9,931.15	19,292.08
Other Financial Liabilities	4,029.80	1,439.26	4,029.80	1,439.26
Total	**30,324.77**	**25,873.97**	**30,324.77**	**25,873.97**

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 March 31, 2021			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets at Amortised Cost				
Cash and Bank Balances	4,147.27	-	-	4,147.27
Other Financial Assets	374.43	-	-	374.43
Trade Receivables	26,456.75	-	-	26,456.75
Financial Liabilities at Amortised Cost				
Trade Payables	16,363.83	-	-	16,363.83
Borrowings	9,931.15	-	-	9,931.15
Other Financial Liabilities	4,029.80	-	-	4,029.80

(Rs. in Lacs)

Particulars	As at March 31, 2020			
	Carrying Amount	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	622.10	-	-	622.10
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	1,439.26	-	-	1,439.26

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37 Financial Instruments (Contd.)

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

(iii) The Company uses debt equity 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 Equity Ratio is as follows: **(Rs. In Lacs)**

Particulars	As at March 31, 2021	As at March 31, 2020
Debt (A)	9,931.15	19,292.08
Equity (B)	34,060.94	26,515.01
Debt Equity Ratio (A/B)	**0.29**	**0.73**

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, 2021	As at March 31, 2020
Interest bearing borrowings:		
On Demand	4,914.83	12,799.52
Less than 180 Days	2,540.35	3,460.35
181-365 Days	484.32	420.90
More than 365 Days	1,991.66	2,611.30

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).

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Foreign Currency Exposures :

(Rs. In Lacs)

Particulars	Foreign Currency	As at March 31, 2021		As at March 31, 2020	
		Foreign Curr. Amount	Amount in Rs.	Foreign Curr. Amount	Amount in Rs.
I. Trade receivables/Advance from customer :	USD	43.01	3,079.33	24.56	1,818.46
	EUR	1.45	123.49	0.73	58.15
	Total		**3,202.82**		**1,876.61**
II. Advance for Capital Goods :	USD	0.06	4.17	-	-
	Total		**4.17**		-
III. Borrowing balances :	USD	13.60	977.87	32.24	2,290.57
	Total		**977.87**		**2,290.57**
IV. Trade payables :	USD	17.16	1,228.72	7.10	525.56
	EUR	2.16	183.46	3.03	242.73
	AUD	-	-	1.57	70.85
	Total		**1,412.18**		**839.15**

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, 2021			
Based on YOY change between F20 & F21	USD	+10%	87.69
	USD	-10%	(87.69)
	EUR	+10%	(6.00)
	EUR	-10%	6.00
March 31, 2020			
Based on YOY change between F19 & F20	USD	+10%	(99.77)
	USD	-10%	99.77
	EUR	+10%	(18.46)
	EUR	-10%	18.46
	AUD	+10%	(7.09)
	AUD	-10%	7.09

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, 2021	As at March 31, 2020
Secured :		
Loans repayable taken from Banks:		
Rupee Loans	4,914.83	12,799.52
Unsecured :		
Loans repayable taken from Banks & Others:		
Rupee Loans	2,056.03	3,039.45
Total	**6,970.86**	**15,838.97**

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:

(Rs. In Lacs)

Particulars	Increase / Decrease in Basis	Effect on Profit Before Tax(Loss)
As at March 31, 2021	+100	(69.71)
	-100	69.71
As at March 31, 2020	+100	(158.39)
	-100	158.39

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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: (Rs. In Lacs)

Particular	2020-21	2019-20
1. Segment Revenue		
India	97,409.88	38,480.96
Overseas	10,984.80	8,426.84
Total Segment Revenue	**1,08,394.68**	**46,907.80**
Inter segment sales	(15,051.42)	(8,216.66)
Income from Operations	**93,343.26**	**38,691.14**
2. Segment Results		
Profit/(Loss) before Finance Costs, Exceptional Items & Tax		
India	11,597.89	(1,109.97)
Overseas	1,147.87	1,024.13
Total	**12,745.77**	**(85.84)**
Less: Finance Cost	1,621.14	2,079.23
Profit before Exceptional Items & Tax	**11,124.63**	**(2,165.07)**
Exceptional Items	-	-
Profit before Tax	**11,124.63**	**(2,165.07)**
3. Capital Employed		
(Segment Assets)		
India	61,688.65	50,543.86
Overseas	5,359.35	3,517.09
Total Segment Assets	**67,047.99**	**54,060.95**
(Segment Liabilities)		
India	31,403.37	27,019.57
Overseas	1,583.67	526.38
Total Segment Liabilities	**32,987.05**	**27,545.94**
Net Capital Employed		
(Segment Assets-Segment Liabilities)		
India	30,285.27	23,524.29
Overseas	3,775.67	2,990.72
Total Capital Employed	**34,060.94**	**26,515.01**

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39 Additional Information Regarding Subsidiaries as per Schedule III of the Companies Act, 2013 (Rs. In Lacs)

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. 2020-21				
a) Parent				
Shakti Pumps India Limited	82.93%	28,247.74	80.04%	6,049.66
b) Subsidiaries				
Indian				
Shakti Energy Solutions Pvt. Ltd.	5.98%	2,037.54	6.64%	501.55
Foreign				
Shakti Pumps LLC, USA	6.63%	2,256.79	6.26%	472.91
Shakti Pumps FZE , UAE	4.36%	1,483.74	6.86%	518.82
Shakti Pumps Pty Ltd., Australia	0.00%	(0.00)	0.26%	19.95
Shakti Pumps (Shanghai) Limited, China	0.03%	9.86	-0.10%	(7.87)
Shakti Pumps (Bangladesh) Ltd., Bangladesh	0.07%	25.27	0.05%	3.63
c) Minority Interest				
i) Indian	-	-	-	-
ii) Foreign	-	-	-	-
Total	**100%**	**34,060.94**	**100%**	**7,558.64**
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)**

Note :

During the year, The company has disinvested its wholly owned subsidiary i.e (Shakti Pumps Pty Ltd., Australia). Effective dare of closure is 15th March, 2021. The Company has been recognised related loss of Rs 20.26 lacs.

40 The spread of COVID-19 has severely impacted businesses around the globe. The situation is constantly evolving and Governments in certain state have imposed various restrictions with the increase in number of COVID 19 cases during the month of March 2021. The company has considered various internal and external information available upto the date of approval of financial statements in assessing the impact of COVID-19 pandemic on the financial statements for the year ended March 31, 2021. In the view of management, there is no significant impact on the immediate liquidity position of the company based on management's evaluation of future cash flows for the next one year.

As at March 31, 2021, management has made an assessment of the recoverability of carrying values of Property, Plant and Equipment, Intangible assets, inventories and financial assets taking into account all possible impact of known events arising from COVID-19 pandemic.

Assessing the impact assessment of COVID-19 is however a continuing process given the uncertainty associates with its nature and duration. The company will continue to closely monitor any material changes to future economic conditions.

41 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

42 Previous year figure have been regrouped / recast, wherever necessary, to correspond with the current year's classification / disclosure.

43 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
Chartered Accountants

PGS & ASSOCIATES FRN 0122384W MUMBAI Chartered Accountants

Premal Gandhi
Partner
M.No.111592
UDIN: 21111592AAAACS3627

Place: Pithampur
Date: May 17, 2021

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

Dinesh Patel
Chief Financial Officer

Ravi Patidar
Company Secretary
M. No. ACS 32328

GENERAL INFORMATION

Our Company was originally incorporated as M/s. Shakti Electrical Industries pursuant to a deed of partnership dated November 15, 1982 executed at Pithampur, Madhya Pradesh. Subsequently, the firm was converted into a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation granted by the RoC. Our Company received a certificate for commencement of business on June 14, 1995, pursuant to the provisions of the Companies Act, 1956. For further details, see, "*Organisational Structure of our Company*" on page 129.

1. The Equity Shares of our Company are listed on BSE and NSE since February 13, 1996 and January 29, 2015, respectively.

2. Our Company has received in-principle approvals to list the Equity Shares to be issued pursuant to the Issue from BSE and NSE on March 19, 2024, under Regulation 28(1) of the SEBI Listing Regulations.

3. Our Registered and Corporate Office is located at Plot No. 401, 402 & 413, Sector 3, Industrial Area, Pithampur, Dhar, Madhya Pradesh – 454 774.

4. The CIN of our Company is L29120MP1995PLC009327.

5. The website of our Company is www.shaktipumps.com.

6. The authorised share capital of our Company is Rs. 400,000,000 comprising of 25,000,000 Equity Shares of face value of ₹10 each and 1,500,000 compulsory convertible preference shares of Rs. 1 00.

7. The Issue was authorised and approved by the Board pursuant to the resolution dated January 18, 2024. The Shareholders have authorized and approved the Issue by way of a special resolution passed through postal ballot on February 20, 2024.

8. In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed India Ratings and Research Private Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

9. Copies of our Memorandum of Association and Articles of Association will be available for inspection between 9:30 am to 5:30 pm on any weekday (except public holidays) during the Issue Period at our Registered Office and Corporate Office.

10. There has been no material change in the financial or trading position of our Company since December 31, 2023, the date of the Unaudited Condensed Interim Consolidated Financial Statements prepared in accordance with applicable accounting standards included in this Preliminary Placement Document.

11. Except as disclosed in this Preliminary Placement Document, our Company has obtained all necessary consents, approvals and authorisations as may be required in connection with the Issue.

12. Except as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" on page 73, there has been no material change in the financial position of our Company since December 31, 2023, the last date of the Unaudited Consolidated Financial Results prepared in accordance with applicable accounting standards included in this Preliminary Placement Document.

13. Except as disclosed in this Preliminary Placement Document, there are no material litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see "*Legal Proceedings*" on page 170.

14. The Issue will not result in a change in control of our Company.

15. Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI

Listing Regulations and Rule 19A of the SCRR.

16. The Floor Price is ₹1,272.09 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations, as certified by the Statutory Auditors. Our Company may offer a discount of not more than 5%on the Floor Price in accordance with the approval of our Board resolution dated January 18, 2024 and the shareholders of our Company have accorded their approval by way of a special resolution passed through postal ballot on February 20, 2024.

17. Our Company and the BRLM accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including websites of our Company and our Subsidiaries, would be doing so at their own risk.

18. Ravi Patidar is the Company Secretary and Compliance Officer of our Company. His details are as follows:

    Ravi Patidar
    Plot No. 401, 402 & 413,
    Sector 3, Industrial Area,
    Pithampur, Dhar,
    Madhya Pradesh - 454774
    Telephone: +91 7292 410500
    E-mail: cs@shaktipumpsindia.com

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made at the sole and absolute discretion of our Company, in consultation with the BRLM, to Eligible QIBs.

The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below. These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, will be included in the Placement Document to be sent to such proposed Allottees.

S. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital held (%)(1)(2)(3)
1.	[●]	[●]
2.	[●]	[●]
3.	[●]	[●]

(1)Based on beneficiary position as on [●].

(2)Subject to receipt of funds and Allotment in the Issue. The above table has been intentionally left blank and shall be updated in the Placement Document.

(3)The post-Issue shareholding (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, insurance companies, and Eligible FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID will be considered.

DECLARATION

We, the Board of Directors of the Company, certify that:

1. the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

2. the compliance with the Companies Act, 2013 and the rules thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

3. the monies received under the Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Signed by:

____

I am authorized by the Treasury Committee, *vide* resolution dated March 19, 2024 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

____

Dinesh Patidar
Chairman and Whole-Time Director

Date: March 19, 2024
Place: Pithampur

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Dinesh Patidar
Chairman and Whole-Time Director

Date: March 19, 2024
Place: Pithampur

Shakti Pumps (India) Limited

Corporate Identity Number: L29120MP1995PLC009327

Registered and Corporate Office
Plot No. 401, 402 & 413, Sector 3,
Industrial Area, Pithampur, Dhar,
Madhya Pradesh – 454774
Telephone: +91 7292 410500
Email: cs@shaktipumpsindia.com

Contact Person:

Ravi Patidar
Designation: Company Secretary and Compliance Officer
Telephone: +91 7292 410500
Email: cs@shaktipumpsindia.com
Address: Plot No. 401, 402 & 413, Sector 3,
Industrial Area, Pithampur, Dhar,
Madhya Pradesh – 454774

BOOK RUNNING LEAD MANAGER

Ernst & Young Merchant Banking Services LLP
The Ruby, 14th Floor,
29 Senapati Bapat Marg, Dadar (W),
Mumbai, Maharashtra – 400028

STATUTORY AUDITORS OF OUR COMPANY

M/s. PGS Associates, Chartered Accountants
301, Laxmi Krupa, 3rd Lokmanya Tilak Colony Road,
Near Yogi Sabhagruh, Dadar (East),
Mumbai, Maharashtra - 400014

LEGAL COUNSEL TO THE ISSUE

Chandhiok & Mahajan, Advocates and Solicitors
C-524, Defence Colony,
New Delhi-110024

SAMPLE APPLICATION FORM

An indicative format of the Application Form is set forth below:

(Note: The format of the Application Form included herein below is indicative and for the illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. Our Company, in consultation with the Book Running Lead Manager, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format below.)

SHAKTI PUMPS (INDIA) LIMITED

APPLICATION FORM

(Shakti Pumps (India) Limited was incorporated on April 21, 1995 under the Companies Act, 1956)

Registered and Corporate Office: Plot No. 401, 402 & 413, Sector 3, Industrial Area, Pithampur, Dhar, Madhya Pradesh - 454774

Tel: +91 7292 410500| **Website**: www.shaktipumps.com | **Email:** cs@shaktipumpsindia.com

CIN: L29120MP1995PLC009327 | LEI: 335800R6YAMINK91XI22

Form No.:

Date:

Name of the Bidder:

QUALIFIED INSTITUTIONS PLACEMENT OF [•] EQUITY SHARES OF FACE VALUE ₹ 10 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE ("ISSUE PRICE") INCLUDING A PREMIUM OF ₹ [•] PER EQUITY SHARE AGGREGATING TO APPROXIMATELY ₹ [•] MILLION UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY SHAKTI PUMPS (INDIA) LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 1,272.09 AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; and (c) hold a valid and existing registration under the applicable laws in India (as applicable), and (d) are eligible to invest in the Issue and submit this Application Form. In addition to the above, with respect to the Issue, Eligible QIBs shall consist of (i) QIBs which are resident in India; and (ii) Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Non-Debt Rules"), can submit this Application Form. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or securities laws any state of the United States and, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in 'offshore transactions' as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares of the Company have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold, and Bids may not be made by persons in any jurisdiction, except in compliance with the applicable laws of such jurisdictions. You should note and observe the solicitation and distribution restrictions contained in the sections titled "*Selling Restrictions*" in the accompanying preliminary placement document dated March 19, 2024 ("PPD").

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA NON-DEBT RULES IN THE ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA NON-DEBT RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

STATUS (Please tick for applicable category)			
FI	Scheduled Commercial Bank and Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds**
NIF	National Investment Fund	**FPI**	Foreign Portfolio Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Funds

To,

The Board of Directors

SHAKTI PUMPS (INDIA) LIMITED
Registered and Corporate Office: Plot No. 401, 402 & 413, Sector 3, Industrial Area, Pithampur, Dhar, Madhya Pradesh - 454774

SI-NBFC	Systematically Important Non – Banking Financial Companies	**OTH**	Others ______________ (Please specify)

**Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue.*
*** Sponsor and Manager should be Indian owned and controlled.*

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we are an Eligible QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Non-Debt Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are not an FVCI. We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").

We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Application Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Company is entitled, in consultation with Ernst & Young Merchant Banking Services LLP, (the " **Book Running Lead Manager**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the CAN, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Application Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Application Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Application Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the Book Running Lead Manager; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Application Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Application Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, address, contact details, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Manager; and; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of the National Stock Exchange of India Limited and BSE Limited (together, the "**Stock Exchanges**"), and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the RBI and other applicable laws.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions*" sections of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the Book Running Lead Manager, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the Book Running Lead Manager or from any other source, including publicly available information; (2) we will abide by the Preliminary Placement Document and the Placement Document, this Application Form, the confirmation of allocation note ("**CAN**"), when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the Book Running Lead Manager, and the submission of this Application Form and payment of the corresponding Application Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Manager; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the Book Running Lead Manager. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the Preliminary Placement Document and the Placement Document when issued, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB.

We acknowledge that the Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. By signing this Application Form and checking the applicable box above, we hereby represent that we are located outside the United States and purchasing Equity Shares in an "offshore transaction" as defined in, and in compliance with, Regulation S and the applicable laws of the jurisdictions where such offers and sales are made. We confirm that we have read the representations, warranties and agreements contained in the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions*" in the PPD.

We confirm that we are eligible to invest and hold the Equity Shares of the Company in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules.

BIDDER DETAILS (In Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
TELEPHONE NO		**FAX NO.**	
MOBILE NO.			
EMAIL			
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO.		
FOR MF	SEBI MF REGISTRATION NO		
FOR AIFs***	SEBI AIF REGISTRATION NO.		
FOR VCFs***	SEBI VCF REGISTRATION NO.		
FOR SI-NBFC	RBI REGISTRATION DETAILS		
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS.		
FOR PENSION FUNDS	PFRDA REGISTRATION DETAILS		

**Name should exactly match with the name in which the beneficiary account is held. Application Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the Book Running Lead Manager.*

*** In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*

**** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares held by us in the Company, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under PAS-4 of the PAS Rules. For such information, the Book Running Lead Manager have relied on the information provided by the RoC for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

NO. OF EQUITY SHARES BID FOR		**PRICE PER EQUITY SHARE (RUPEES)**		**APPLICATION AMOUNT (RUPEES)**	
(In Figures)	(In Words)	(In Figures)	(In Words)	(In Figures)	(In Words)

DEPOSITORY ACCOUNT DETAILS								
Depository Name (Please ✓)		National Security Depository Limited						Central Depository Services (India) Limited
Depository Participant Name								
DP – ID	I	N						
Beneficiary Account Number								(16-digit beneficiary account. No. to be mentioned above)

PAYMENT DETAILS | REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER
By 03.30 PM (IST), [●] ("ISSUE CLOSING DATE")

BANK ACCOUNT DETAILS FOR PAYMENT OF APPLICATION AMOUNT THROUGH ELECTRONIC FUND TRANSFER			
Name of the Account	Shakti Pumps (India) Limited QIP Escrow Account	**Account Type**	Escrow Account
Name of Bank	ICICI Bank Limited	**Address of the Branch of the Bank**	4, Chhoti Khajrani, Malav Parisar, Indore 452008
Account No.	541705000078	**IFSC**	ICIC0000041

The demographic details like address, bank account details, etc. will be obtained from the Depositories as per the beneficiary account given above. However, for the purposes of refund, if any, only the bank details as mentioned below, from which the Application Amount has been remitted for the Equity Shares applied for in the Issue will be considered.

The Application Amount should be transferred pursuant to this Application Form only by way of electronic fund transfers, towards the Escrow Account. Payment of the entire Application Amount should be made along with this Application Form on or before the closure of the Issue Period i.e. prior to or on the Bid/Issue Closing Date. All payments must be made in favour of "*Shakti Pumps (India) Limited- QIP Escrow Account*". The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in this Application Form. **You are responsible for the accuracy of the bank details mentioned below. You are aware that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank details provided by you. The Company and the Book Running Lead Manager shall not be liable in any manner for refunds that are not processed due to incorrect bank details.**

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

DETAILS OF CONTACT PERSON			
Name:			
Address:			
Tel. No:		Fax No:	
Mobile No.	________________________________ Email: ________________________________		

OTHER DETAILS	
PAN	
Date of Application	
Signature of Authorised Signatory (may be signed either physically of digitally)	

ENCLOSURES ATTACHED

- ☐ Copy of PAN Card or PAN allotment letter**
- ☐ FIRC
- ☐ Copy of the SEBI registration certificate as a Mutual Fund
- ☐ Copy of the SEBI registration certificate as an Eligible FPI
- ☐ Copy of the SEBI registration certificate as an AIF
- ☐ Copy of the SEBI registration certificate as a VCF
- ☐ Certified copy of certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank
- ☐ Copy of the IRDA registration certificate
- ☐ Copy of the PFRDA registration certificate
- ☐ Copy of notification as a public financial institution
- ☐ Certified true copy of the power of attorney
- ☐ Other, please specify __________________

**A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.*

***It is to be specifically noted that the Bidder should not submit the GIR number or any other identification number instead of the PAN, as the applications are liable to be rejected on this ground, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961.*

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein. This Application Form and the PPD sent to you and the Placement Document which will be sent to you in electronic form, are specific to you and you may not distribute

or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.
Note 2: This Application Form may be rejected if any information provided is incomplete or inadequate, at the discretion of the Company in consultation with the Book Running Lead Manager.