

Per watt **More drop**

Shakti Pumps (India) Limited
Annual Report 2014-15



FORWARD-LOOKING STATEMENT

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral –that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

In this year's report

Corporate identity	04
Our pumping solutions.....	06
How we market our products	09
Milestones	12
Some hits and some misses.....	16
Chairman's message	18
Competitive advantages	28
Management discussion and analysis.....	30
Risk management.....	36
Analysis of financial statements	38
Letter to shareholders.....	41
Notice	42
Directors' Report	52
Report on Corporate Governance	67
Financial section	79

In agriculture, a farmer is exposed to challenges of rain, pests, power availability, crop yield and realisations.

In residential, commercial and industrial structures, owners are exposed to challenges related to altitude, pump capacity and electricity costs.

In sewage and water management projects, users are exposed to challenges related to suction capability, pump robustness and cost.

Shakti Pumps addresses the diverse challenges faced by these different sectors.

A complete solution provider. Ensuing a complete peace of mind.

Shakti Pumps. *Desh ka pump.*



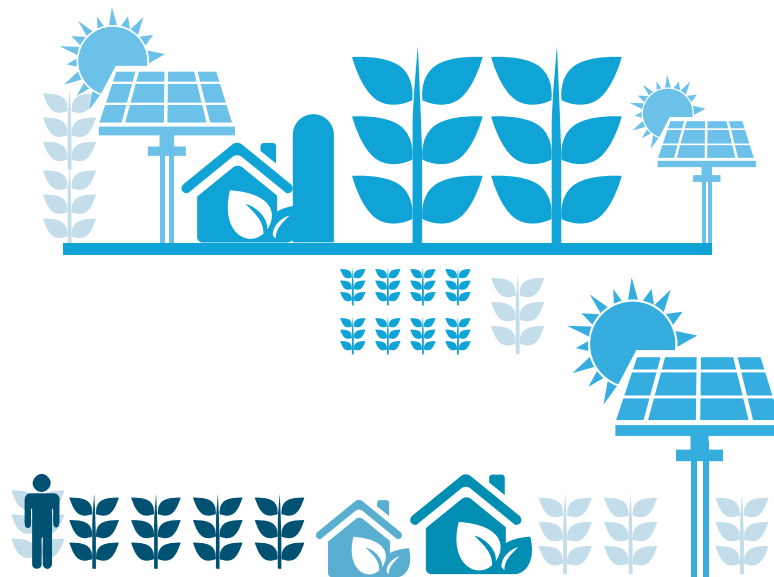
Shakti Pumps (India) Limited.
More than just India's
largest stainless steel pump
manufacturer.

Catalyst.
Friend.
Ally.
Partner.

A solution provider whose energy-efficient pumps translate into lower costs, higher user productivity and greater power availability across the nation.

One of the few Indian brands providing complete pumping solutions across the agricultural, industrial, commercial and residential segments.

Providing complete solutions for solar pump installations, catalysing the Government's focus in enhancing energy security while reducing the national subsidy burden.



Shakti Pumps (India) Limited. More than just another pump company.

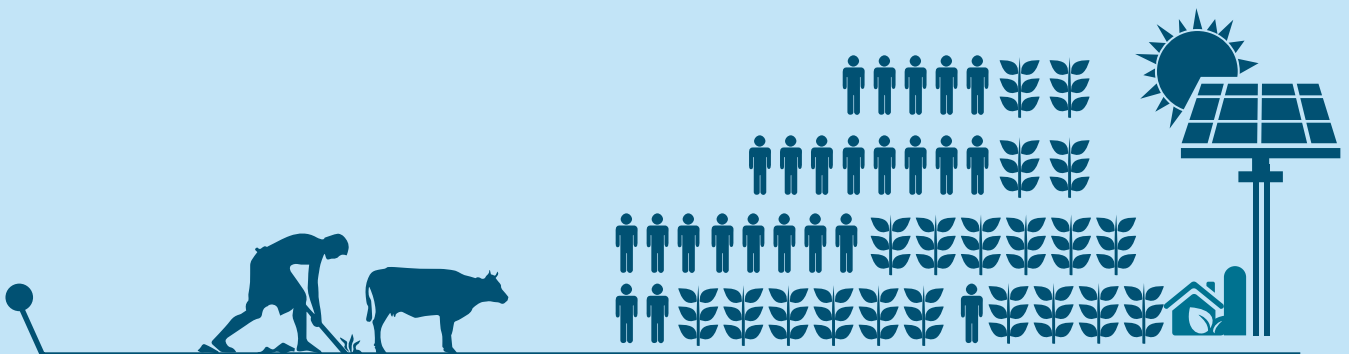
A one-stop-shop for all pumping needs.



A reliable stainless steel pump exporter with a presence in more than 100 countries.

A SHOWCASE OF INDIA'S **GLOBAL** MANUFACTURING COMPETITIVENESS.

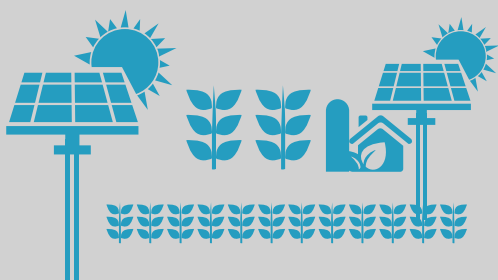
A 5-star rated (Bureau of Energy Efficiency) product portfolio respected for its energy efficiency.



Vision and mission

To become a company that constantly strives for quality and customer satisfaction by providing the best quality and most energy-efficient pumping solutions with global benchmarks.

To excel with an emphasis on best ethical practices and strong organisational values which maximise the interests of all stakeholders.



About the Company

Promoted by the reputed Patidar family of Indore in 1982, Shakti Pumps started as a small-scale unit at Pithampur (Madhya Pradesh) to manufacture submersible pumps and has now evolved into a respected global brand.

The Company is headed by Mr. Dinesh Patidar (Chairman and Managing Director) and competently assisted by qualified professionals with decades of domain experience.

Having started with an annual installed capacity of 1,500 pumps in 1982, the Company's current installed capacity is 5,00,000 pumps per year.

The Company is engaged in the business of manufacturing and marketing stainless steel water pumps and motors under the 'Shakti' brand name.

The Company offers complete pumping solutions through a range of 1,200 products addressing the growing needs of all key segments – agricultural, industrial, commercial and solar.

The Company's products find applications in groundwater supply, irrigation, pressure boost, industrial, fire-fighting and other pumping applications.

The Company's cutting-edge technology has been developed in-house following proactive investments in R&D and state-of-the-art technologies.

The result is that Shakti Pumps is India's largest manufacturer of stainless steel pumps.

Presence

Headquartered at Pithampur (Madhya Pradesh), the Company has manufacturing units in Pithampur domestic tariff area and Pithampur SEZ (Madhya Pradesh) with an R&D centre at Pithampur.

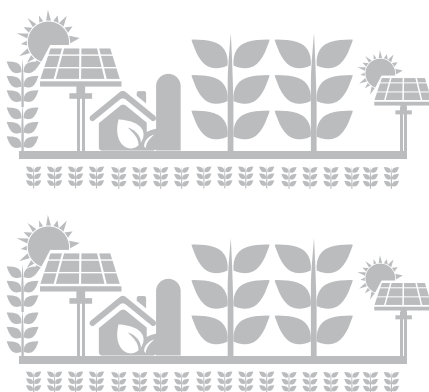
In India, the Company enjoys presence in 13 states with 17 branches and 500 dealers while its global footprint extends across 100 countries.

Standards

Shakti Pumps has consistently addressed customer needs through high quality global products and process benchmarks. The Company's quality focus is validated by certifications like ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007, BEE Star Rating, Veritas and UL for US safety.

Listing

The Company's shares are listed and regularly traded on the Bombay Stock Exchange (stock code: 531431) and the National Stock Exchange (stock code: SHAKTIPUMP).



Awards and accolades



The Company was conferred with the ECGC – Dun & Bradstreet Indian Exporter's Excellence Award 2015 in the 'Best Focus Product Exporter' category.



The Company was awarded the Trophy for Excellence at the Make in India National Conclave 2014 in the 'Excellence in the Field of Industry' category.



The Company was bestowed with the 'Special Contribution' award by the Engineering Export Promotion Council in the 'Large Enterprise' category for being the 'Highest Exporter in Thrust Markets for Thrust Products' for the year 2014.



The Company was honoured with the Udyog Ratan Award by the Institute of Economic Studies (New Delhi) and Excellence Award by the Institute of Economic Studies (Bangalore) for 2014.






The Company was recognised as the 'Best SEZ Exporter' by ECGC and 'Outstanding Pump Company' by EPC.

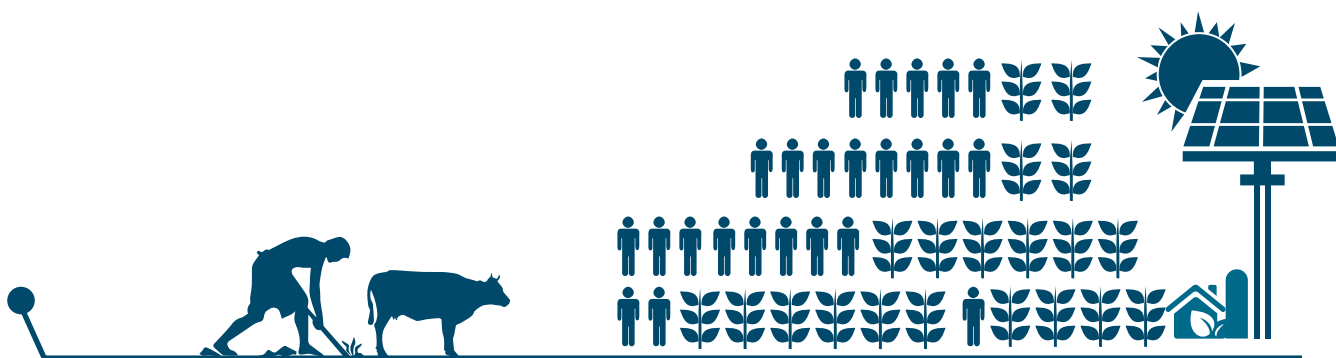


Our pumping solutions

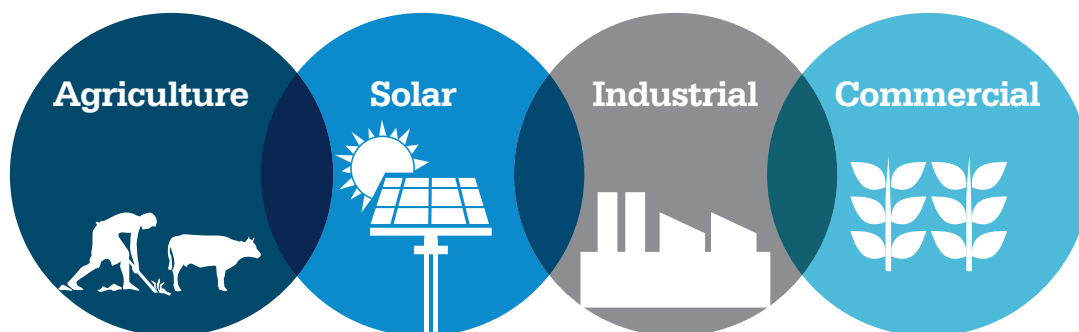
Product	Features	Applicability
Solar pumps 	<ul style="list-style-type: none"> • 40% more discharge • Free from problems like feeder damage, supply cut 	<ul style="list-style-type: none"> • Agricultural use; widely used for irrigation
Submersible pumps 	<ul style="list-style-type: none"> • High operating efficiency • Highly durable and hygienic • Good resistance to sand • Can be easily dismantled and repaired • Can handle upthrust load 	<ul style="list-style-type: none"> • Irrigation, domestic water supply • Fountains, industrial water supply • Pressure boosting units, ponds • Gardens, sprinkler systems and mining
Submersible motors 	<ul style="list-style-type: none"> • High operating efficiency and lower power consumption • Water-cooled rewindable motor • Can be easily dismantled and repaired • Industry-standard NEMA mounting dimensions • Cable material according to drinking water regulations • SIC shaft seal for maximum sand protection • Optional PT 100 sensor • Easy to mount with double flange • Mech. Seal : Sic vs Sic/Optional 	<ul style="list-style-type: none"> • Suitable to couple with deep-well submersible pump ends • Used for irrigation, domestic water supply • Fountains, industrial water supply • Pressure boosting units • Sprinkler systems and mining
Vertical multistage centrifugal pumps 	<ul style="list-style-type: none"> • Non-self-priming • Compact in-line design • Wide compatibility with other components 	<ul style="list-style-type: none"> • Liquid transfer • Water supply systems • Water treatment systems • Fire fighting systems • Industrial plants • Construction

Product	Features	Applicability
Pressure booster pumps 	<ul style="list-style-type: none"> • Compact design • Worldwide usage • High reliability • Easy to service and install • Wide performance range • Silent operation • Full stainless steel design • Booster sets for domestic water supply • Automatic start/stop when equipped with press control or pressure tank 	<ul style="list-style-type: none"> • Small domestic use • Small industrial use
Sewage pumps 	<ul style="list-style-type: none"> • High quality stainless steel motor body • Built-in winding parts • Rewindable and easy to repair 	<ul style="list-style-type: none"> • Draining flooded water from the basement/car parking • Draining water/car washes/emptying swimming pools • Water treatment plant/STP • Municipal Corporation drainage line • Municipal Corporation drainage tankers • Emptying tanks in industries
Self-priming pumps 	<ul style="list-style-type: none"> • High quality die cast aluminium motor body • Anti-corrosive coated cast iron parts • In-built thermal overload protector • Insulation class "B" • SS Shaft • Bronze impeller • Duty cycle S1 • Double-sealed ball bearings 	<ul style="list-style-type: none"> • Domestic water supply • Over-head tanks • Home pressure boosting • Construction site • Gardens/Fountains
End section pumps 	<ul style="list-style-type: none"> • The pumps have back pull out design, enabling the removal of the motor without dismantling the pump • The pumps can be driven by diesel engine, DG set, TEFC motor • Ultra-modern design • Superior design material as well as manufacturing process assures longer life 	<ul style="list-style-type: none"> • Water distribution • Pressure boosting • Liquid transfer • Irrigation • Domestic water supply

Product	Features	Applicability
Open well pumps 	<ul style="list-style-type: none"> • Ultra-modern design • Superior design material as well as manufacturing process assure longer life • Easy installation • High efficiency – better than international values, leading to energy saving • Silent, vibration-free running 	<ul style="list-style-type: none"> • Rural and urban draining water installations • Water supply to high-rise buildings • Water circulating system for lawns and gardens • Agricultural lift sprinkler and drip irrigation • Industrial service water supply schemes • Decorative water fountains
Immersible pumps 	<ul style="list-style-type: none"> • Flexible installation length • Reliable • Easy installation and service 	<ul style="list-style-type: none"> • Suitable for pumping cooling lubricants in various machines
Single shaft vertical multistage pump 	<ul style="list-style-type: none"> • Stainless steel impellers, shaft and stage casings (SS 304/SS 316) • All single-phase motors are fitted with thermal motor protectors • Strengthened cartridge seals • Enhanced hydraulic efficiency • Good compatibility and environment-friendly • Low noise level and low vibration level 	<ul style="list-style-type: none"> • Industrial and domestic pressure boosting • RO/DM plant/water circulation • Irrigation • Industrial washing machines • Domestic water supply
Diesel pumps 	<ul style="list-style-type: none"> • Powered by water cooled and direct injection • Petter type 4 stroke diesel engine • Highly efficient and durable • Strong and light-weight, delivers high discharge of water • Guaranteed 6 metre suction head 	<ul style="list-style-type: none"> • Industrial • Domestic • Agricultural



How we market our products in domestic market



Over the last couple of years, Shakti Pumps embarked on the decision to grow its presence and revenues from within India through various initiatives.

The Company selected to create separate teams focusing on agriculture, commercial, industrial and solar pump segments.

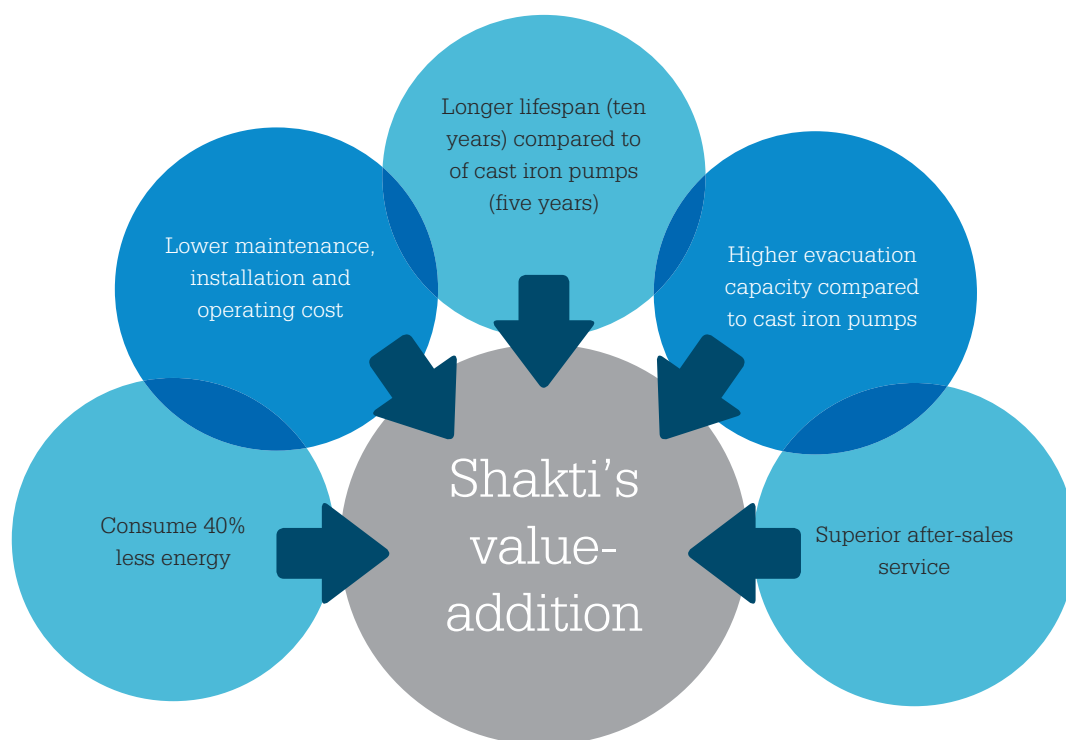
The Company now possesses a portfolio of 1,200 variants, which

comprise the agricultural, solar, industrial and commercial segments.

The Company strengthened its 500-dealer network with 17 branches in 13 states. It reviewed performance of existing dealers while adding new dealers, widening its sales reach. It focused on increasing the number of exclusive dealers to increase market penetration. For the industrial and commercial segments, the Company selected to engage in direct

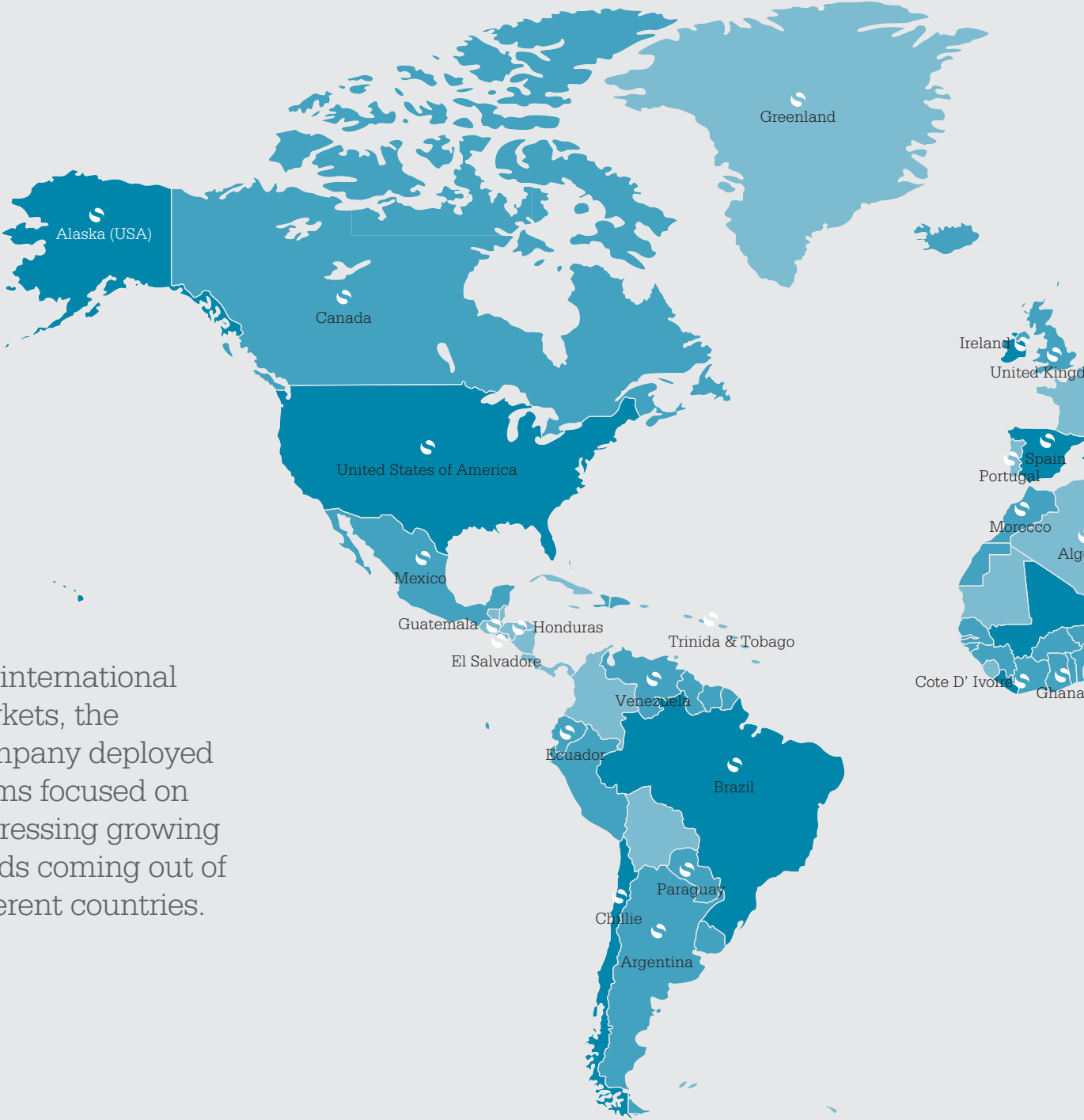
relationships with end customers.

The Company appointed local representatives responsible for strengthening grassroots product marketing and catalysing dealer offtake. Besides, the Company undertook initiatives like mechanic and farmer meets, road shows, farm demonstrations and participation in various exhibitions, kisan melas and industry events to enhance rural visibility.

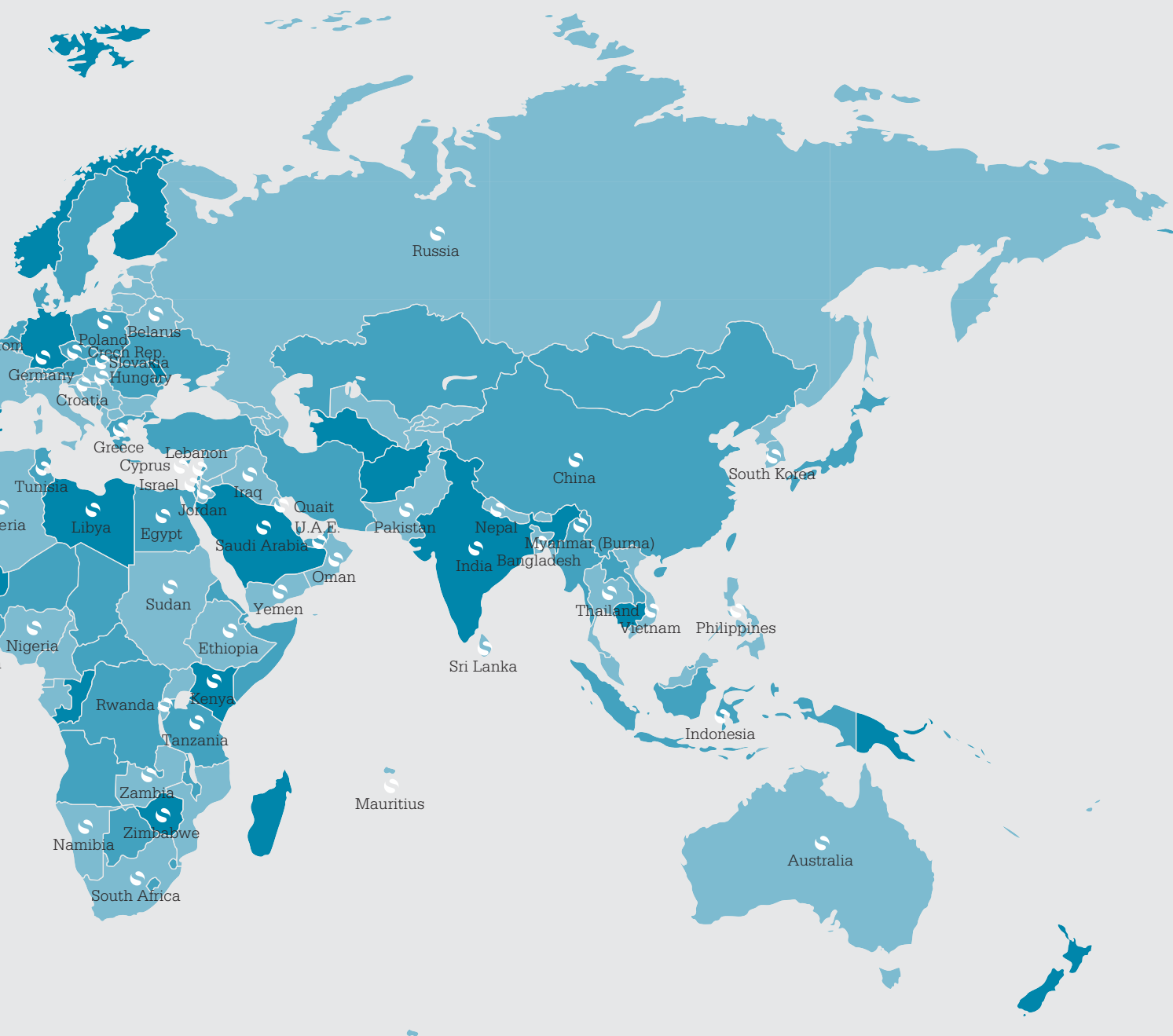


International market overview

For international markets, the Company deployed teams focused on addressing growing needs coming out of different countries.



 Indicates where Shakti Pumps (India) Ltd. is present.
Map is not to scale



100+

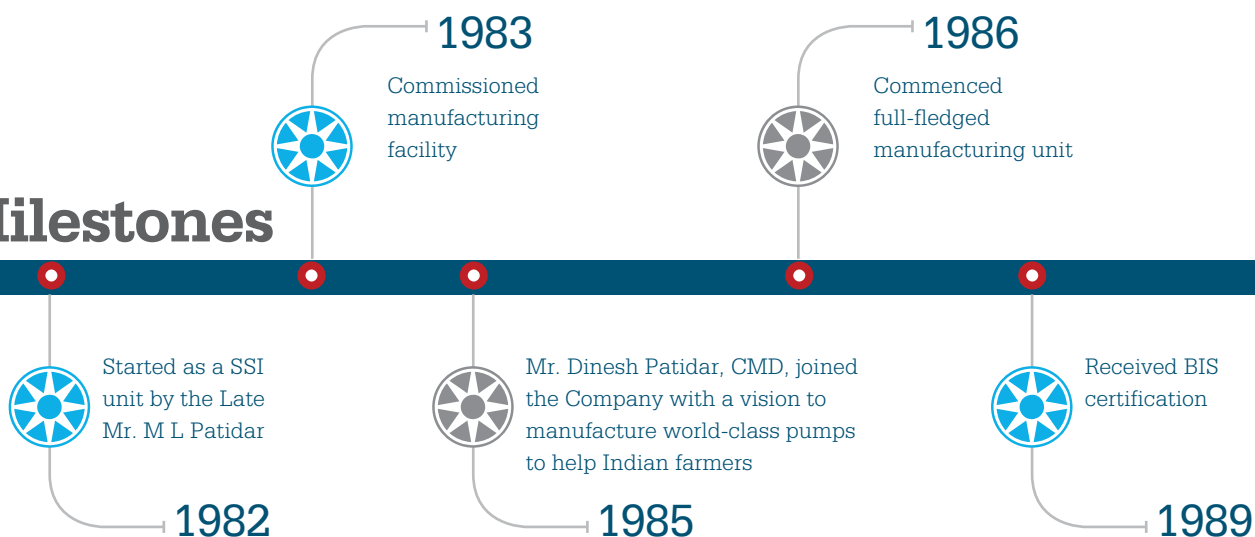
The Company marketed products in 100+ countries



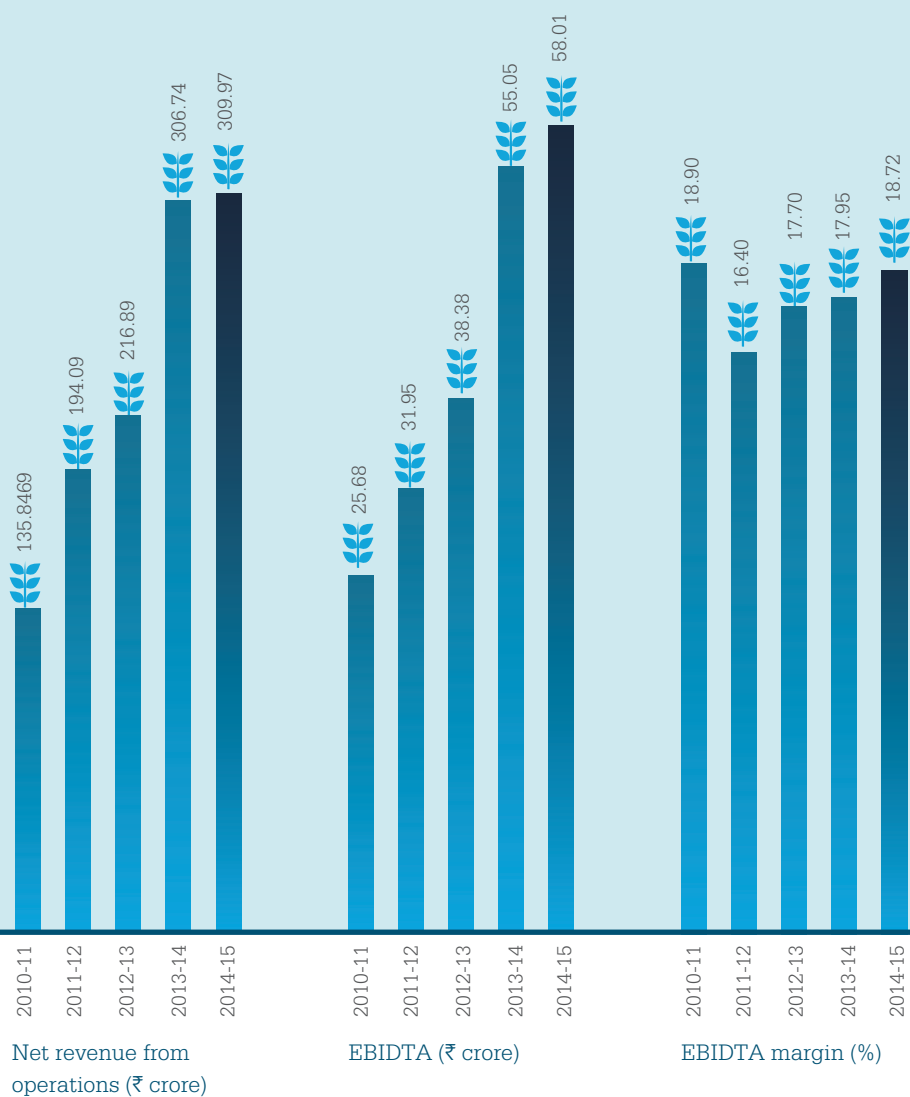
The Company marketed products in 100+ countries through a strong network of dealers and distributors.

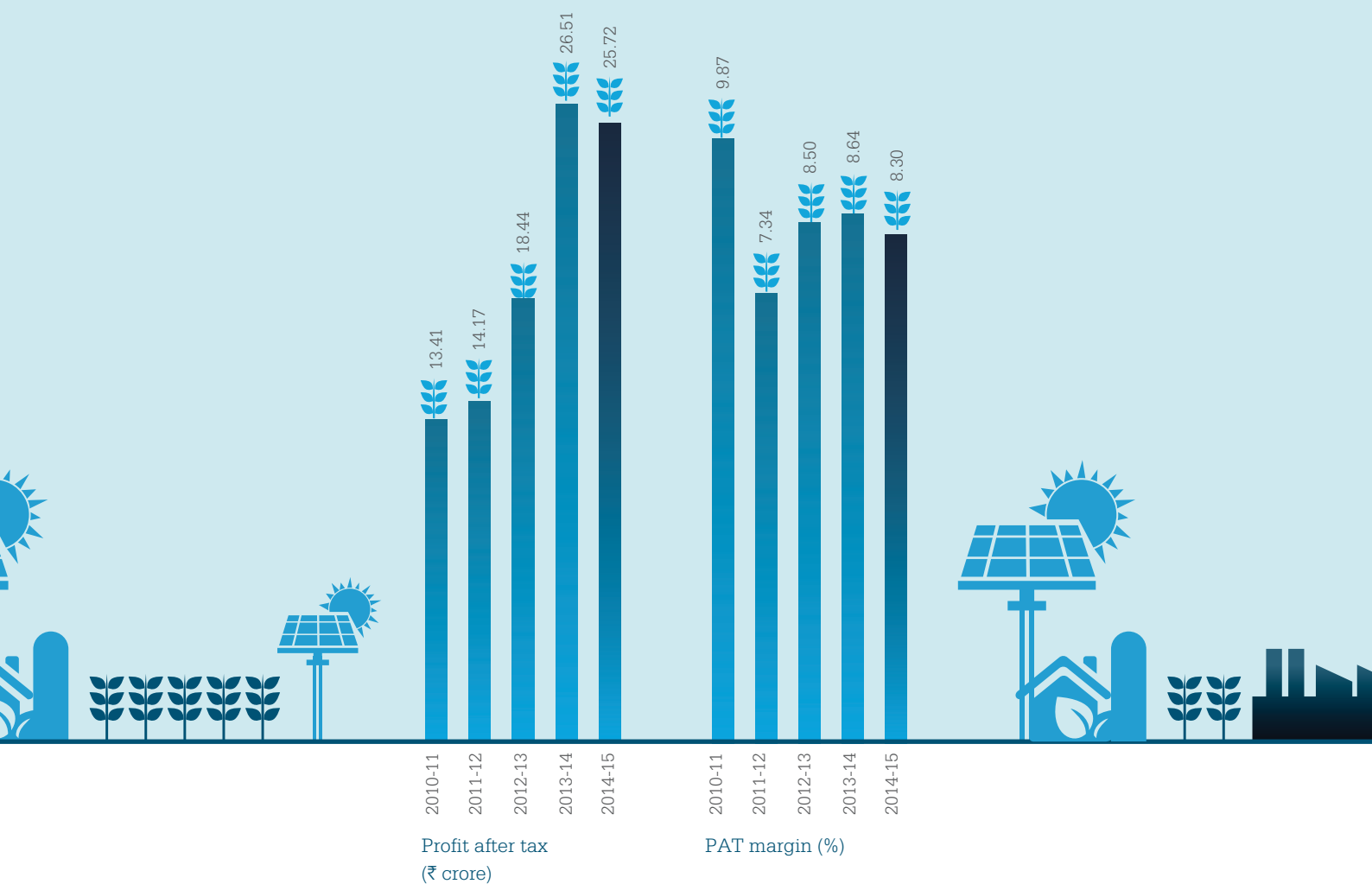
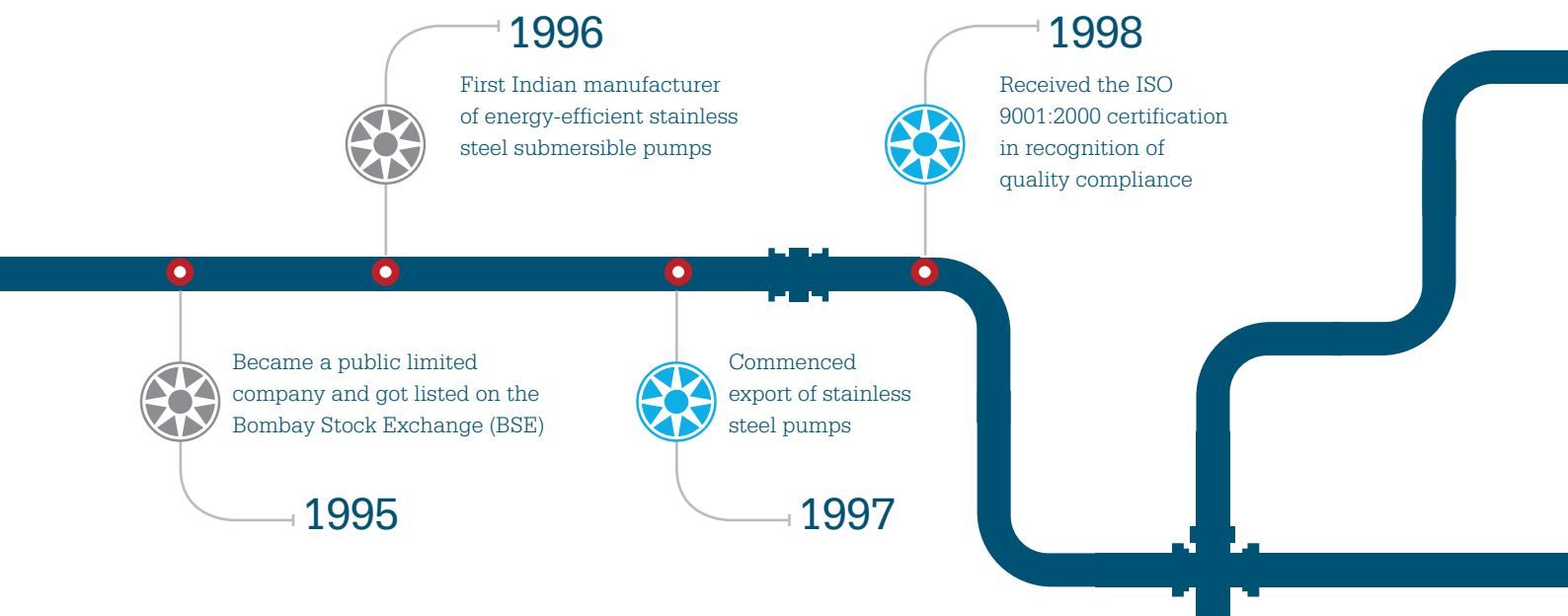
The Company actively participated in international exhibitions (EIMA - Bologna, Mostra Covengo - Milan, NGWA - US, BIG 5 - UAE, among others) to reinforce its brand, product attributes and corporate visibility.

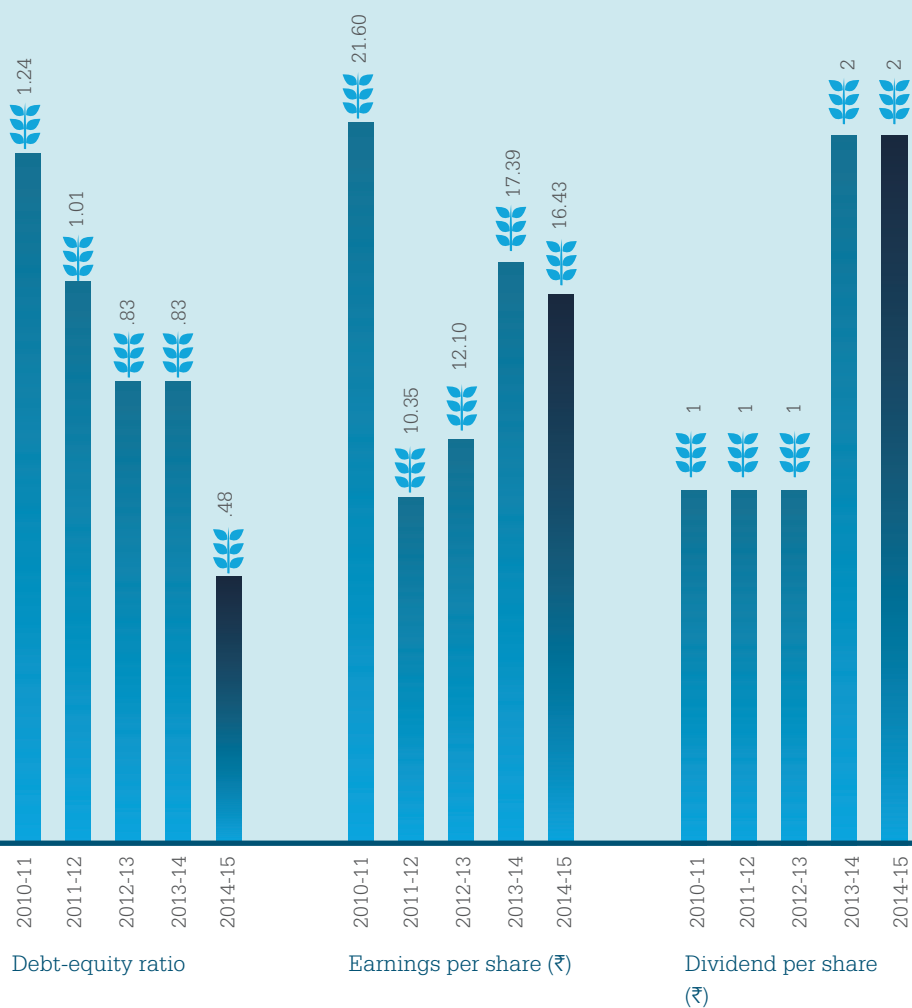
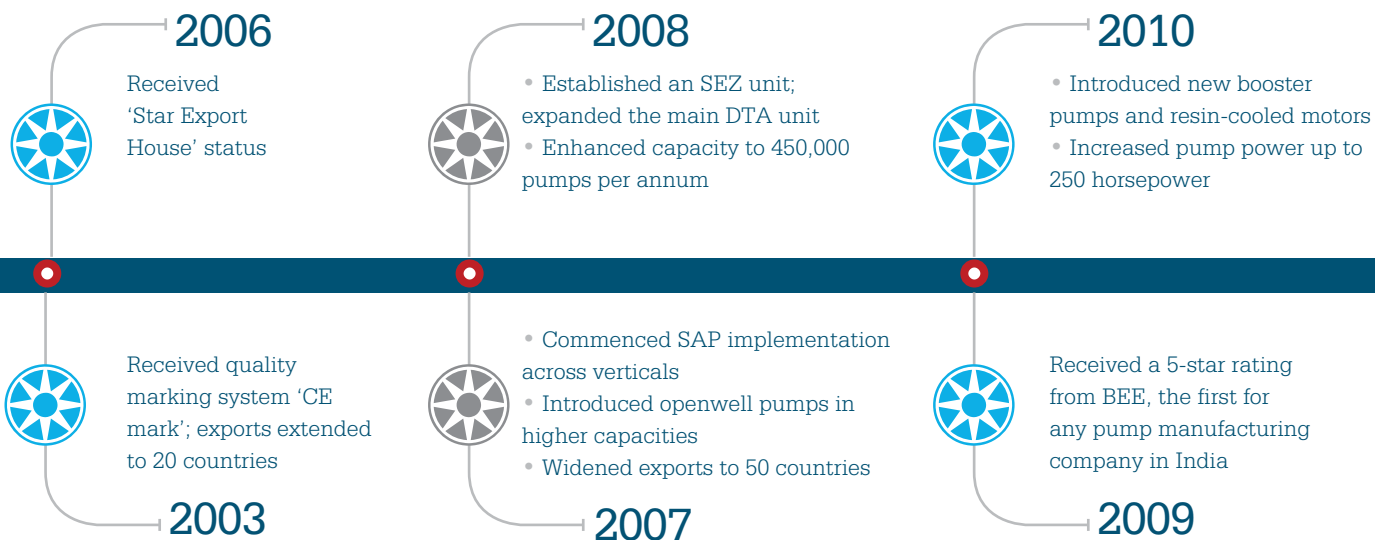
Milestones

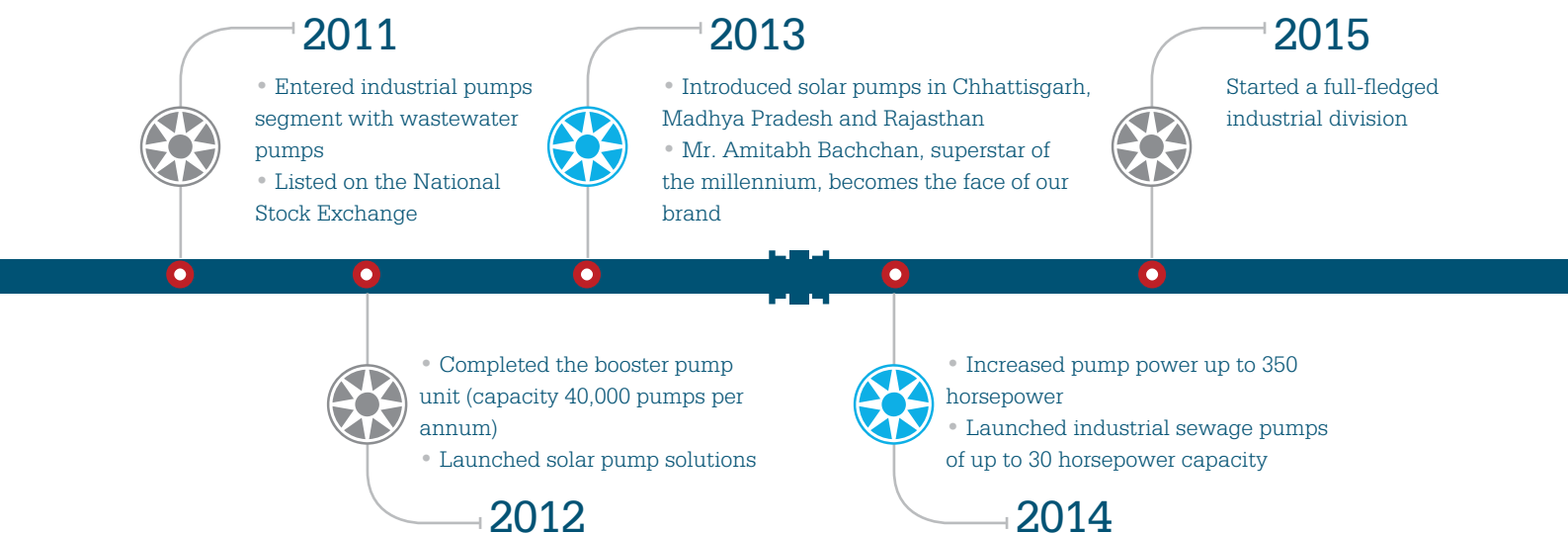


Financial highlights







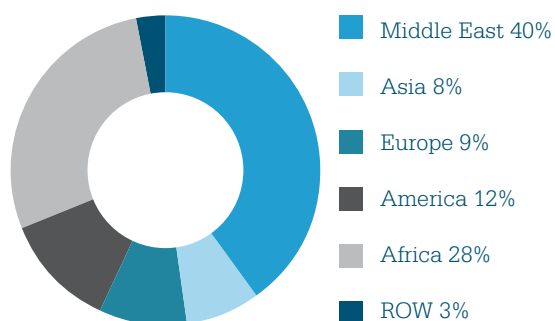


50%

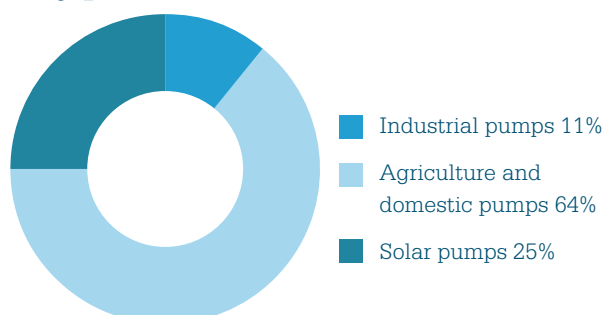
Overseas sales as a percentage of total revenue



Export sales breakdown by region in 2014-15



Domestic sales breakdown by products in 2014-15



THE YEAR 2014-15 – SOME HITS AND SOME MISSES

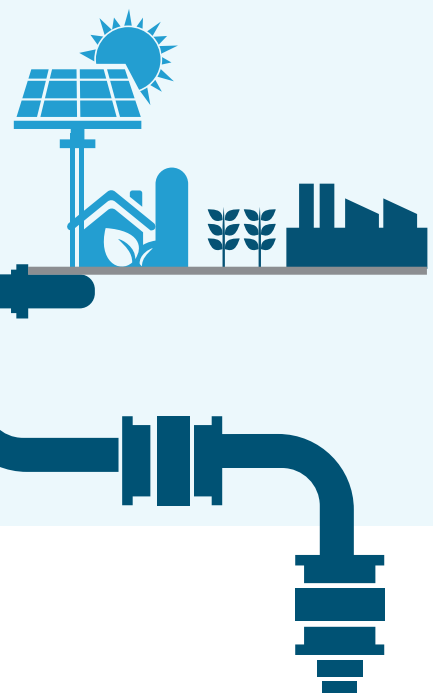
WHAT PEOPLE ARE LIKELY TO GATHER
FROM OUR 2014-15 PERFORMANCE AND
WHAT THEY ARE LIKELY TO MISS

Hits, 2014-15

- Increased domestic sales by nearly 60%; achieved highest ever domestic sales. Penetrated deeper into the US, entered markets in Latin America and Africa; widened global footprint from 70 to 100 countries in three years.
- Prudently decided not to push sales in geographies marked by challenges (some Middle Eastern countries) which could have resulted in stretched receivables, despite these being major markets for the Company.
- Grew our presence in every major region (other than the Middle East).
- Increased the proportion of value-added products (solar submersible pump boosters and industrial pumps); launched 350HP submersible pumps and sewage pumps
- Strengthened EBIDTA margins from 17.95% in 2013-14 to 18.72% in 2014-15 despite challenging market conditions .

Misses, 2014-15

- Reported negligible revenue growth (1.1%), largely owing to the geopolitical crisis in the Middle East (traditionally an attractive market); sales are expected to rebound as the challenges appear temporary.
- Reported a near 30% decline in revenues because of few of our largest markets. However, the management undertook measures to enhance presence in other established international markets while growing Indian revenues.



Chairman's message

Even though our numbers may indicate that the Company did not report significant growth in revenues and bottomline, we were pleased with the Company's performance for some good reasons.

One, the reason for which we did not report any growth was geopolitical issues in some Middle Eastern countries were largely outside our control. We could have still decided to increase our sales with stretched receivables; we prudently decided to focus on cash flows instead. Despite losing sales in these Middle East countries, the speed with which we increased sales in other markets (including India) provides me with fair optimism that we possess the organisational depth to respond to sudden marketplace changes with speed.

Two, we increased our geographical reach by accessing new markets as well as penetrating deeper in each of the markets of our presence (other than some countries in Middle East). While historically we focused on a higher 'shop share', we are now focused on a higher 'country share'. It is this ability to penetrate deeper into various countries that translated into improved performance.

Three, a few years ago we launched solar submersible pumps – not as another fancy renewable energy product being offered to the marketplace but a product that was intended to enhance user competitiveness. From insignificant revenues three years ago, this product segment demonstrated significant growth, now generating ₹36 crore in revenues, growing more than 100% during the year under review.

Four, the Company penetrated significantly in the industrial segment, resulting in revenues growing from ₹3 crore to ₹15 crore in 2014-15.



Five, we enhanced our presence with a stronger sales force by recruiting experienced professionals. We hired a number of professionals in our sales and marketing divisions during the year under review.

Six, the quality of our customers was reflected in the fact that we were not required to make any extensive write-offs or provisions.

Seven, the richness of our bandwidth was reflected in our continued address of emerging opportunities, launching sewage and reverse osmosis pumps to address growing demand.

There are some pertinent reasons why I feel that Shakti Pumps is at an inflection point in its existence.

When we started the financial year under review, we derived 65% of our international revenues from the Middle East. It was a robust and growing market for us; we were optimistic of the attractive growth coming out of this region. However, increased geopolitical tension resulted in dealers within that region demanding longer credit cycles. However, we focused on cash realisations, resisting the temptation to provide stretched credit tenures

"If the farmers in India are provided the facility of getting water with the help of solar pumps, it will definitely bring down their input costs. And if the input cost reduces, our farmers will become financially strong...the cost of procuring water is the biggest cost component for the farmer which in turn arises from the cost of electricity. Once the farmer owns a [solar] pump, he will resort to micro-irrigation; micro-irrigation has been proven to offer several benefits. We will be able to save energy and water, enhance farm productivity and produce better quality crops."

Extracted and translated from the speech of Mr. Narendra Modi, Hon'ble Prime Minister of India

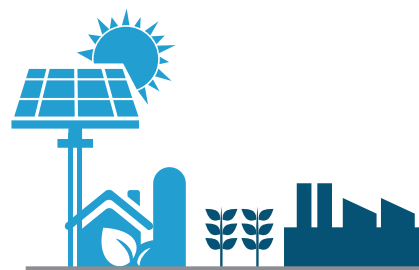
and deciding to reduce sales in the region without withdrawing completely. We believe that once the region stabilises, Shakti will be able to return to its erstwhile growth.

When a large slice of a market shrinks, it creates a short-term impact on the Company's financials. At Shakti Pumps, we have always emphasised that we conduct quality business that focuses on cash flows and margins. The result is that we shifted our management bandwidth to other countries where we enjoyed reasonable shop share, where our products had been well received,

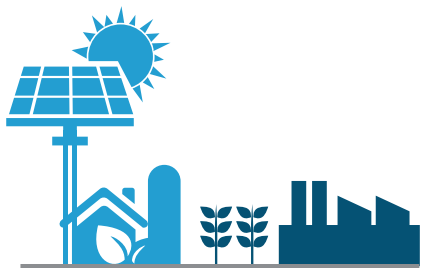
where agricultural traction was evident and where credit terms were in line with our requirements. The recalibration of our corporate direction was intense; we put in a huge effort to reinvent our international strategy and positioning. The result is that even as we underperformed during the second quarter of 2014-15 with ₹55 crore in revenues (₹72 crore in the second quarter of 2013-14), we reported a revenue rebound in the third quarter to ₹85 crore (₹79 crore in the third quarter of 2013-14) without much of a contribution from the Gulf, finishing the last quarter with revenues of ₹99.33 crore. While annual sales growth was only 1%, we grew domestic sales around 60% and exports (excluding Middle East) about 50%, although on a lower base.

There are some significant changes transpiring the world over and in India, the Company's largest single market. These augur favourably for Shakti Pumps; what the Company expects to achieve over the foreseeable future could be significantly different from what it has achieved over the last decade.

For one, there has been a gradual evolution in the nature of our largest marketplace – the farm – over the last couple of decades. A decline in the availability of manual labour, low productivity and realisations, but increasing access to global best practices, means an increasing preference for farm mechanisation. The farmer is more likely to spend on mechanised intervention today with a clearer payback perspective than ever before. The stainless steel pump represents



There are some pertinent reasons why I feel that Shakti Pumps is at an inflection point in its existence.



We increased our EBIDTA margins to 18.72% in 2014-15. The Company's capacity utilisation of 55% in 2014-15 indicates attractive operating leverage.

a next-generation tool in the farmer's pursuit of payback, profitability and prosperity. A growing governmental insistence that farmers use stainless steel pumps will help reduce the country's energy consumption and, in turn, help the country save energy and resources.

Within India, there is another quiet transition underway. The new Indian government has kick-started the process of moving away from a high subsidy environment towards market-based economics. A significant part of subsidy includes the incidence of farm electricity costs. It is estimated that around 20% of India's electricity is consumed at the farm level. Much of this consumption is non-remunerative, considering the country's emphasis on empowering the farmer to grow more food for national security.

The government has two alternatives: to continue subsidising the supply of electricity or find ways of moderating this outgo. In the first option, the government will need to invest

significantly in electricity transmission infrastructure to reach power to remote arid locations, which will be non-remunerative. The second alternative throws up a number of possibilities; the most interesting of them is that the government is likely to provide fiscal support for the purchase of solar pumps, brightening prospects for players like us.

Is this a far-fetched assumption?

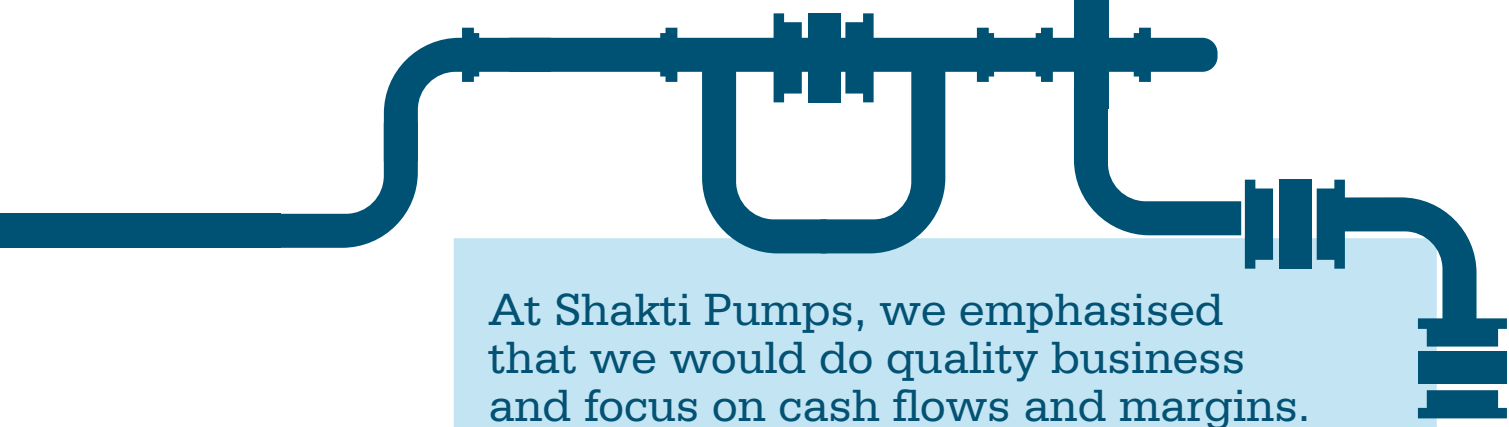
Not at all. Over the last year, Prime Minister Narendra Modi has been an enthusiastic advocate of the use of solar pumps as one way of enhancing farm viability and strengthening the country's food security.

Some state governments like Rajasthan, Madhya Pradesh, Chhattisgarh, Andhra Pradesh, Maharashtra have already announced plans to install a significant number of solar pumps in the farm and these state governments, along with the Central Government, have formulated plans to finance pumps such that this becomes a win-win for all concerned players.

Besides, the Indian government intends to build more roads, homes, toilets, connect rivers and clean the Ganges. Most importantly, the 'Make in India' initiative can potentially widen the country's industrial base, resulting in an increased demand for industrial, commercial offices and residential homes, each of which could strengthen pumps offtake. The sheer magnitude of this potential opportunity makes this sector one of the most exciting for years to come.

There is yet another development on the horizon that could virtually transform the industry's dynamics. The proposed introduction of the Goods and Services Tax could remove inter-state tax variations; more importantly, it could increase costs for unorganised manufacturers, making branded players like us more competitive. The proportion of organised manufacturers was 15% a few years ago, which has now increased to 50% and I am optimistic that the GST regime will only accelerate the transition over the foreseeable future.

From a global perspective, we



At Shakti Pumps, we emphasised that we would do quality business and focus on cash flows and margins. The result is that we shifted our management bandwidth to some other countries where we enjoyed a reasonable shop share.

are optimistic of making a deeper impression in large markets like US and Latin America. The combination of our ability to make energy-efficient stainless steel pumps, supply large volumes, address wide sectoral applications and provide a superior price-value proposition should translate into increased exports across a wider geographic footprint.

So how is Shakti Pumps equipped to capitalise on these emerging realities?

One, our products conclusively provide users the advantage of higher productivity and energy efficiency. This makes it possible for users to complete their schedules quicker compared to competing alternatives and at a lower cost.

We possess the capability to provide the entire range of water management pump-based solutions (except project pumps) coupled with back-end tooling capability, which makes us largely a one-stop integrated solution provider

capturing the entire value chain for agricultural and industrial usage.

We have invested in capacity expansion in the past, which means that increase in demand will not translate into enhanced capital expenditure, effectively improving our profitability.

As water tables decline, there is a limit to the depth that pumps manufactured in the unorganised sector can reach; our pumps can go down to 2,000 feet, which means that the more groundwater becomes scarce, the quicker the switch-over to branded pump alternatives.

Over the last few years, we strengthened our operating efficiency. We have invested in analytics with the objective to find customers rather than follow the conventional approach of selling.

Even as our revenues remained largely flat (only 1% growth), our domestic sales increased around 60%, helping counter the unexpected setback in our key markets of the Middle East, which reduced exports by 25.12%. The Indian

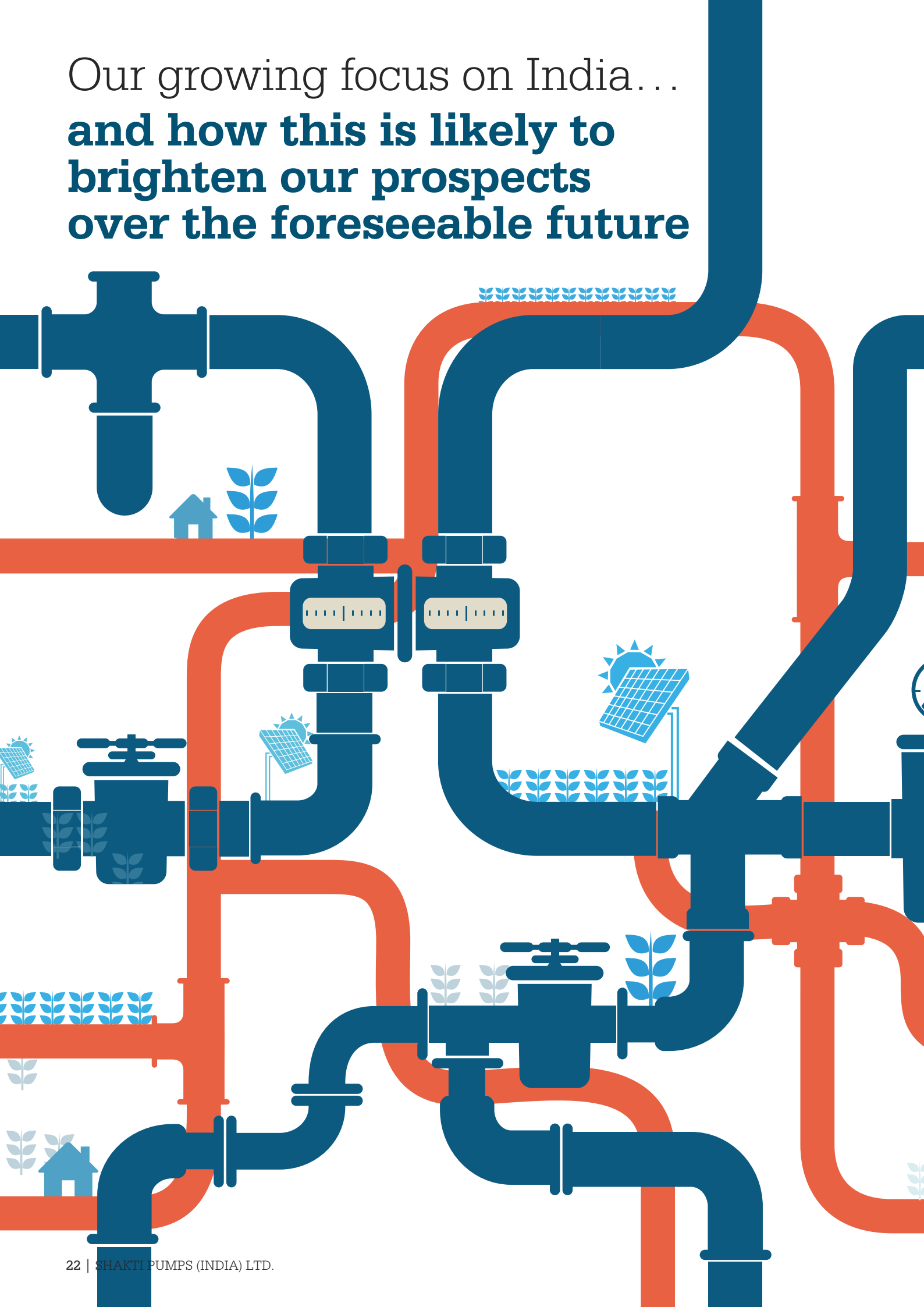
market last year accounted for around 30% of the Company's revenues; this increased to almost 50% in 2014-15 and over the foreseeable future, we expect this trend to continue. We increased our EBITDA margins to 18.72% in 2014-15. The Company's capacity utilisation of 55% in 2014-15 indicates attractive operating leverage, which can be extensively leveraged in the event of increased demand; besides, new products can be developed without corresponding capital expenditure.

In view of these realities, I am optimistic that we can expect to grow significantly in the coming years and enhance value for all our stakeholders.

I would like to place on record my sincere appreciation to all my shareholders, employees, customers, suppliers, banks and government for their constant support.

Dinesh Patidar
Chairman

Our growing focus on India...
**and how this is likely to
brighten our prospects
over the foreseeable future**



Until 2011, Shakti Pumps focused largely on selling submersible pumps in international markets.

While the Company continues to focus on international markets, in the past year, we developed an experienced team to make the most of the emergent domestic potential.

This decision to channelise resources towards deeper penetration of our India presence was based on a number of evolving ground realities.

One, a revival in the economy and increased focus on energy efficiency is expected to result in a higher demand for energy-efficient stainless steel pumps.

Two, the 'Make in India' campaign and removal of infrastructural bottlenecks will result in an improved capex cycle, resulting in incremental pumps demand across segments.

Three, the current Central Government has announced its intent to fast-track infrastructural growth. As a means to this end, it intends to invest more than ₹42,913 crore in the construction of roads.

Four, the Central Government's 'Housing for All by 2022' programme is expected to lead to the construction of more than 60 million homes, entailing an aggregate investment of USD 2 trillion.

Five, the Central Government's 'Sanitation for all by 2019' programme will entail the construction of a toilet in each school and home.

Six, the Central Government's 'Clean Ganga Mission' is likely to be the largest river cleaning programme ever undertaken in the country.

Seven, the Central Government's proposal of linking various Indian rivers is likely to emerge as a landmark global opportunity.

Eight, the electrification of an additional 20,000 villages has been proposed over the next four years.



'Housing for All by 2022' programme is expected to lead to the construction of more than **60 million homes.**



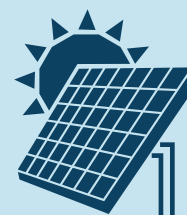
Nine, the Central Government is focusing on the installation of solar pumps for household, agricultural and drinking water projects.

All these initiatives are expected to drive significant demand for organised pump manufacturers.

In view of these realities, the Company undertook certain decisive initiatives:

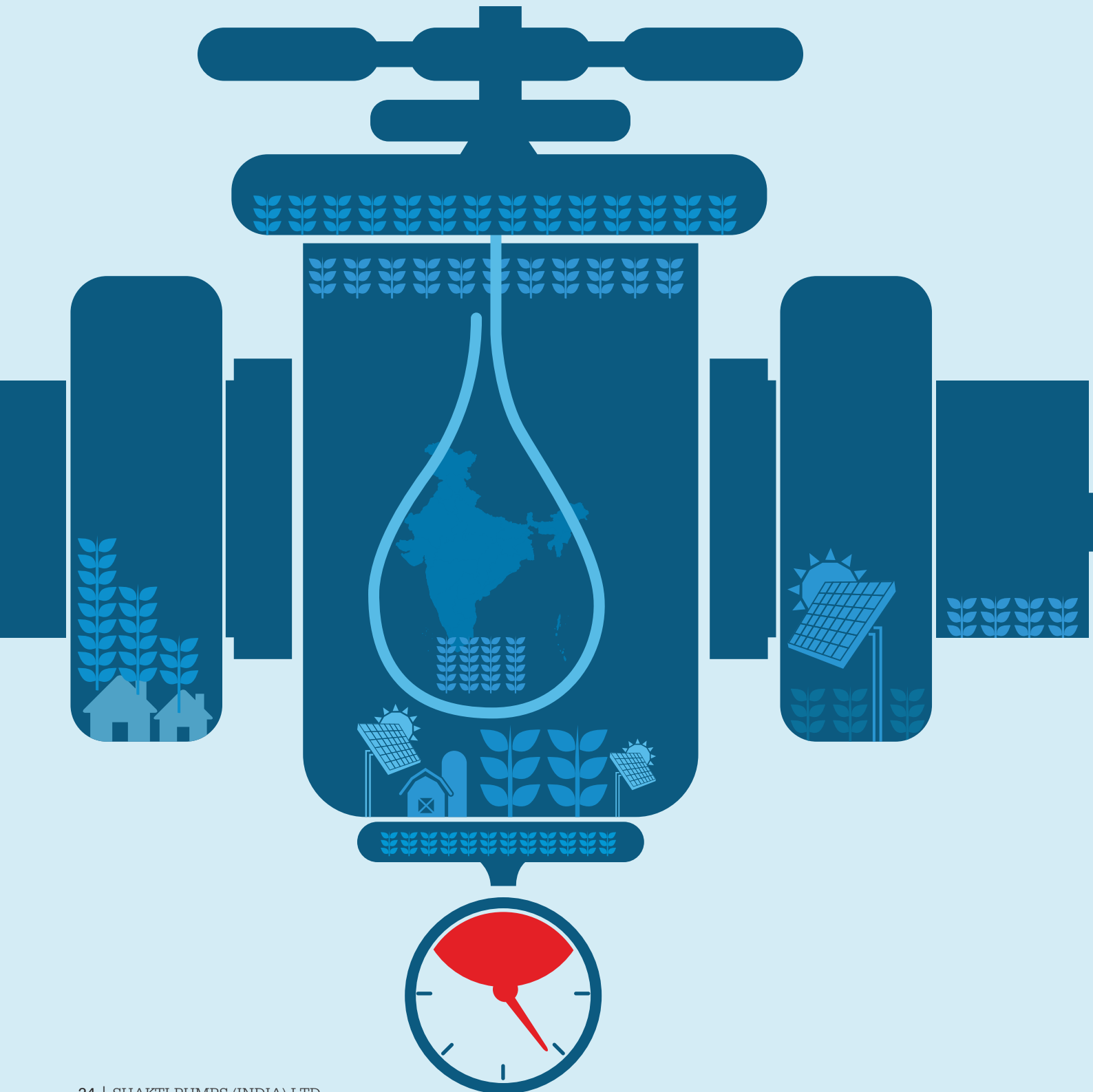
- Engaged Amitabh Bachchan as a brand ambassador
- Widened dealer coverage
- Introduced new products and models
- Deepened presence in the agriculture and industrial segments
- Worked closely with OEMs to cater to the incremental demand for industrial pumps

The result: we increased our domestic revenues by nearly 60% to ₹142 crore accounting for nearly 50% of the total revenues during the year under review (30% in the previous year). On the back of these initiatives announced by the Central Government, the Company expects to generate incremental revenues from within India across the foreseeable future.



Our solar stainless steel
submersible pump...

**and how it is
transforming lives
across India**



The Indian farmer faces many challenges – increasing input costs, rising manpower costs, overt dependence on monsoons and low crop yields.

In our bid to help farmers overcome some of the challenges, we introduced the solar stainless steel submersible pump in 2013.

Two in one

The combination of the two – stainless steel and solar panels – represents a potent cost-cutting and efficiency-enhancing advantage that can transform farm realities across India.

This is how the system works: the stainless steel pump does more work in less time across a larger farm area than competing alternatives; the solar panel inflation-proofs the electricity cost of the operation as well as ensures that the grid power usage in non-remunerative agriculture sectors is reduced.

This combination of agriculture and technology translated into the following advantages:

- **Lowered energy consumption by 30-40%**
- **Enhanced output by 40-50%**
- **Increased operating life by 8 to 10 years**
- **Lowered maintenance costs**
- **Extended operating hours**

The fusion of enhanced productivity and stable costs helps enhance farm viability.

Growing government traction

There is growing traction for these solar-driven pumps for a number of reasons. State Governments who need to invest in establishing expensive and time-consuming electricity networks find it cost-effective to provide solar pumps instead. Furthermore, the electricity presently provided to farmers can be marketed to other consumers, resulting in greater power availability in areas where this is most needed. The transition from grid power to solar power is expected to be facilitated by fiscal support for the purchase of solar pumps.

The Central Government is backing its intent with action. Case in point: its decision to subsidise the ownership of 100,000 solar pumps has been eagerly embraced by a number of states (Rajasthan, Madhya Pradesh, Chhattisgarh, Maharashtra, Andhra Pradesh, Telangana, Jharkhand, Tamil Nadu, Gujarat and Uttar Pradesh) who have announced multi-crore orders for the product.

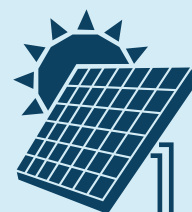
Shakti's positioning

Shakti is the only Indian provider of stainless steel solar submersible pumps, attractively placed to capitalise on this incipient opportunity for the following reasons:

- It increased solar pump revenues from ₹17 crore in 2013-14 to ₹36 crore in 2014-15.
- About a quarter of our domestic revenues in 2014-15 were derived from this fast-moving vertical.
- It emerged as the largest vendor to a number of OEMs in this business.
- It received a top-notch rating (1A) from CRISIL and MNRE.

At Shakti Pumps, we are attractively placed to address the growing appetite for solar pumps, tying up with major OEMs and a significant number of integrators (registered with the MNRE).

Increased solar pump revenues from ₹17 crore in 2013-14 to **₹36 crore** in 2014-15.



Our established competence in the stainless steel pump niche...

and how this will help us widen our footprint

The stainless steel pump is not just a product made with a different material; it represents a vastly superior technology.

The USP of the product derives from the nature of the metal. In a cast iron pump, the impeller fan is thick; since stainless steel fans are thinner, the space created by the pump is larger inside and the discharge better. Additionally, stainless steel pumps have uniform finishes on the outer and inner surfaces. This is not the case in cast iron pumps, where friction moderates pump efficiency and consumes more power. .

A farmer working with a stainless steel pump can get more work done in the short duration that power is available to the farm; the cast iron equivalent takes longer. Given the erratic nature of power supply in rural India, there is a serious risk of inadequate water availability for farm irrigation. Additionally, stainless steel pumps outlast (8-10 years) cast iron pumps (3-5 years).

Over the years, our stainless steel pumps have emerged as a winner for other reasons as well. Labour costs are rising; farmers need to find tools to neutralise this increase. Labour availability is declining; farmers need to find ways to enhance equipment productivity instead. Farm realisations are growing slowly, propelling farmers to look for ways to generate savings from within. Thus, the stainless steel pump is no longer seen as a tool for water management; it is seen as a long-term efficiency driver.

Our stainless steel pumps are preferred because of their strength and cost-competitiveness compared to conventional alternatives. The tactical foray into the industrial, commercial and residential pumps segment has not only enabled us to strengthen our position as a complete pumping solutions provider but has also helped significantly widen our market reach.



Competitive advantages



Entrenched knowhow

Shakti Pumps extensively leverages proprietary technology. Case in point: about 90% of the components used in the pumps are manufactured in-house, cutting costs and ensuring qualitative consistency.



Top-of-the-mind recall

Shakti Pumps products enjoy a distinctive recall related to the ability to achieve a larger volume throughput in less time – '*kam waqt me zyada pani*' – translating into a robust offtake for its products.

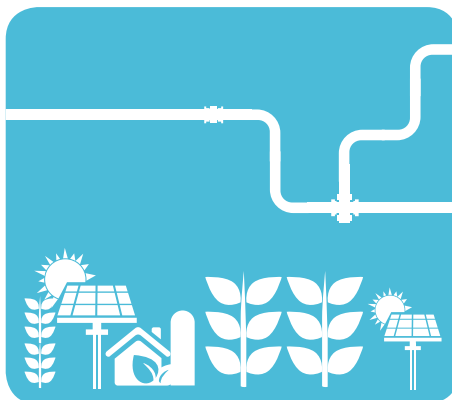


Wide portfolio

Shakti Pumps provides pumping solutions which find applications in groundwater supply, irrigation, pressure boosting, industrial applications, fire-fighting systems and pumping applications for the domestic and hospitality sectors. The result is that Shakti Pumps has emerged as a one-stop destination for a variety of pumping applications.

Inherent cost-competitiveness

Shakti Pumps enjoys a recall of being one of the most cost-competitive stainless steel pump manufacturers in the world with production costs which are significantly lower than the global benchmarks.



Shakti Pumps was among the first in the Indian pumps industry to use robotics in 2008.

Benefit: Faster process flow, enhanced precision and less prone to errors

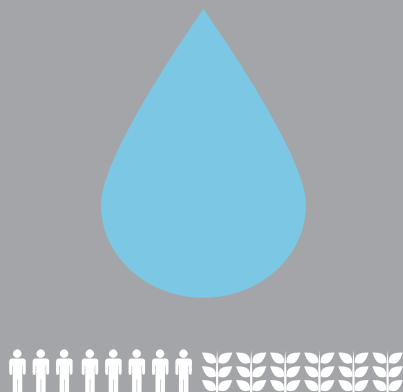
Shakti Pumps replaced the conventional painting procedure with cathode electro deposition in 2013.

Benefit: Paint life extended 20-fold compared to legacy techniques, enhancing product durability

**Shakti Pumps –
A sectoral pioneer**

Pioneering presence

Shakti Pumps enjoys three decades of experience in the pumps sector. The Company pioneered the introduction of stainless steel submersible pumps in India and has introduced superior variants regularly.



Health benefits

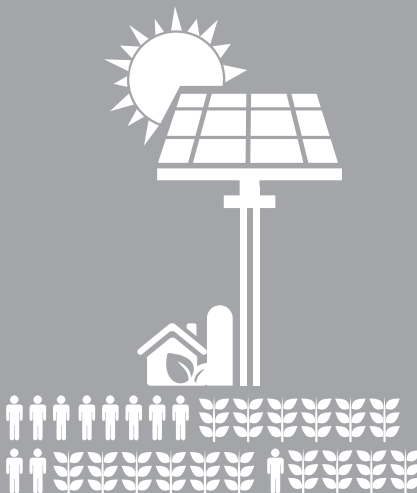
Shakti Pumps manufactures pumps made of stainless steel which ensures that they remain rustproof even in saline and watery areas, thereby inspiring the conviction that the water it pumps is safe for use.

Stringent compliance

Shakti Pumps products have been certified by some of the most credible names, thereby validating its deep quality commitment. 260 of the Company's models have been rated 5-star by the Bureau of Energy Efficiency, testifying minimal energy consumption. The Company has also been bestowed with ISO 9001:2000 and BEE 5-star ratings, Underwriters Laboratories for USA and Veritas for Europe and CE mark for quality, safety and performance.

Cutting-edge technology

Shakti Pumps has led the way in the implementation of top-of-the-line equipment from global leaders based in Japan and Europe. This makes it possible for the Company to manufacture products that are high on accuracy, robustness and efficiency.



Shakti Pumps invested in SAP-administered inventory management (around 5,500 components) and cross-platform operations in 2008.

Benefit: Stronger inventory management and enhanced accountability

Shakti Pumps invested in fraction welding technology in 2013.

Benefit: Enhanced product quality and led to lower material consumption

Shakti Pumps invested in an automated stamping process.

Benefit: Enhanced quality and self-reliance

Management discussion and analysis

Global economy

The year 2014 was marked by a modest 3.4% global growth. While advanced economies reflected pickup in growth over the previous year, emerging markets and developing economies reflected a slowdown even as they accounted for 75% of global growth. Global growth is projected at 3.5% in 2015 and 3.8% in 2016. (Source: <https://www.imf.org>)

Indian economy

The Indian economy retained its position as one of the largest and fastest growing economies, its promising outlook based around controlled inflation, rise in domestic demand, increasing investments, decline in oil prices and policy reforms. After the recent base year revision for GDP calculation (from 2004-05 earlier to 2011-12 now), the country's GDP for the year 2014-15 stood at 7.4% as against 6.9% in the previous year. Inflation averaged 5.17% in March 2015.

Factors like the steep decline in oil prices, increased global investments, reform initiatives and infrastructure growth augur well for prospects. The projected GDP growth for 2015-16 is 8.5%; current account deficit is estimated at 1% of GDP. (Source: <http://indiabudget.nic.in>)

Global pump industry

A rising demand for water pumps is an outcome of rapid urbanisation and industrialisation. According to Population Action International, by 2025, more than 2.8 billion of the global population in 48 countries is expected to face water scarcity. Water scarcity is a key factor driving water pumps demand as governments encourage industries to recycle and reuse. Pump manufacturers are developing energy-efficient pump variants. According to Global Water Pumps Market Forecast & Opportunities, 2019, the market is highly fragmented in Asia-Pacific with small unorganised manufacturers

dominating the market as opposed to the consolidated market in developed nations. However, even in countries in Asia-Pacific, there is a clear shift towards organised pump manufacturers.

Indian pump industry

Indian water pumps market is segmented into two categories – positive displacement and centrifugal pumps – where the latter is dominant. Nearly 95% of the demand for pumps in India is addressed by local producers. The new generation of water pumps comprises magnetic drive-based water pumps, EPC-based water pumps, mobile phone-induced remotely controlled water pumps and solar pumps.

Agriculture sector: the largest user of pumps in India

- 58% of the population in the country is dependent on agriculture for livelihood. (Source: IBEF)

Government programs likely to drive pump off-take

Swachchh Bharat Abhiyan: Launched by the Prime Minister to ensure hygiene, waste management and sanitation. The Government targets building twelve crore new toilets. Every rural household is expected to have a toilet by 2019. This will require an investment of ₹1.96 lakh crore over the period.

Education: The Ministry of Human Resource Development has identified the immediate need to construct toilets in every government school. It was resolved that every school across the country should have separate toilets for boys and girls, entailing an investment of ₹1,100 crore (budgeted).

Ganga cleaning project: Cleaning the Ganga and its tributaries will require industrial capacity

water transmission equipment and a total estimated investment of ₹80,000 crore.

Housing for All: The government intends to build two crore urban houses areas and four crore rural homes by 2022, investing close to USD 2 trillion into the project.

Other initiatives

- Increase in farm credit and implication of micro-irrigation project
- Replace inefficient conventional pumps with high energy-efficient alternatives
- Government's focus on wastewater treatment for industry and big commercial units will also open the doors for wastewater pumping solutions

- Agriculture contributes 15% to the country's GDP.
- Although India holds 53% of the world's arable land, irrigational challenges continue to hamper farm productivity. Agricultural growth largely depends on water, which is the prime input. However, with limited irrigation facilities, farmers depend on rainfall which is not predictable.

With increasing demand for food, competing use within the water sector, increasing costs, low productivity, the pressure is on realising 'more crop per drop'. In response to this, strategic decisions and interventions need to be made on a continuous basis. These decisions should cover the full spectrum of the irrigation water supply system down to on-farm application.

As per a study conducted by KPMG, there are about 18 million pumps

in the country which are connected with grid power. In addition, there are about 7 million pumps running on diesel.

The agriculture sector uses almost 80% water in the country and nearly 20% of installed power generation capacity in the country. As a means to this end, state governments have historically provided cheap power to the farm community. However, the quality and reliability of this power is very poor, leading to sub-optimal irrigation of fields and overconsumption of power.

More than 4 billion litres of diesel and 85 million tonnes of coal are thus consumed per annum to support water pumping for irrigation.

Replacement of 1 million diesel pumps with solar pumps would result in diesel use mitigation of 9.4 billion litres over the life cycle of

Did you know?

The overall electricity savings from inefficient pumps is estimated at around ₹18,000 crore annually.
(Source: http://bee-dsm.in/PoliciesRegulations_1_4.aspx)

solar pumps which translates into diesel subsidy saving of ₹8,400 crore and CO₂ emission abatement of 25.3 million tonnes. This also means forex savings of USD 300 million per annum on diesel import, translating into forex savings of USD 4.5 billion over pump life. Further, it also results in better crop yields that can improve agricultural output by ₹2,000 crore per annum or ₹30,000 crore over the pump life.

Shakti's 5-star pumps (rated by the Bureau of Energy Efficiency) are ideal for meeting the needs of the farmer and alleviating the country's power

Union Budget allocations likely to drive pump off-take

Budget, 2015-16

- ₹5,300 crore support for micro-irrigation, watershed development and Pradhan Mantri Krishi Sinchai Yojana.
- ₹25,000 crore as corpus to Rural Infrastructure Development Fund in NABARD; ₹15,000 crore for Long-Term Rural Credit Fund; ₹45,000 crore for Short-Term Co-operative Rural Credit Refinance Fund; and ₹15,000 crore for Short-Term RRB Refinance Fund.
- Target of ₹8.5 lac crore set for agriculture credit in 2015-16.

Budget, 2014-15

In the Union Budget of 2014-15 the government had launched a programme, Solar Pumping Programme for Irrigation and Drinking, with the following objectives:

- Development of models that will foster solar power

deployment for pumping in rural areas in a scalable manner.

- Exploring prospects of solar pump programs to address and support rural development-related aspects, over and above the basic service of water.
- Improvement in energy access.

The programme which will be implemented throughout India in coordination with the Ministry of Agriculture through State Nodal Agencies, NABARD and Ministry of Drinking Water and Sanitation has a five-year window of implementation, starting from 2014-15 with a target to deploy at least ten lakh (1 million) solar pumps for irrigation and drinking water purpose in the country by 2020-21. The project has been initiated with an initial outlay of ₹400 crore and will be scaled up accordingly.

deficit

Industrial: Rising costs and social awareness have prompted several industries to adopt measures to reduce power consumption. Pumps are significant consumers of energy across a host of downstream sectors. Shakti's water management pumps are a handy solution for energy-conscious industrial clients.

Residential and commercial:

Commercial and residential buildings are a large and growing market opportunity. Booster pumps are the mainstay of this segment. Shakti's range of pumps can serve a wide range of requirements and offer a compelling value proposition compared with imported products.

Sales channel: For the agriculture and domestic segment, small pumps are typically sold through a distributor network, where the lowest price was the most important factor influencing the purchase decision of the consumers; however, the scenario has been changing very fast due

to various reasons for the past few years. The Star BEE rating for energy-efficiency is increasingly impacting customer preferences. Despite large players facing fierce price competition from SMEs, energy-efficient products delivered through an optimised supply chain are driving success. Sales are made either directly by manufacturers, dedicated dealer networks or clubbed with EPC packages.

Outlook

The pump industry growth is expected to be driven by the following realities:

- Expansion in agriculture, infrastructure and real estate development
- Shrinking conventional sources of irrigation like rivers and wells, among others
- Replacement of existing inefficient pump sets with energy-efficient (BEE star labeled) pump sets would unlock the market for large scale investments in this area
- Erratic monsoon and water scarcity, which have led to a greater focus on irrigation on the part of the government which, in turn, is expected to be a big domestic demand driver
- Rising population and urbanisation; urbanisation is forecast to increase from 290 million in 2002 to 500 million by end-2017
- Economic growth
- Shift from unorganised to organised players
- Demand for pumps expected to grow substantially given that the municipal waste disposal facilities of the country need to modernised

The result is that the Indian water pump market revenues are expected to grow at the CAGR of around 13% during 2013-18. (Source: <http://www.techsciresearch.com/2321>)

Central Government schemes to promote solar pumps

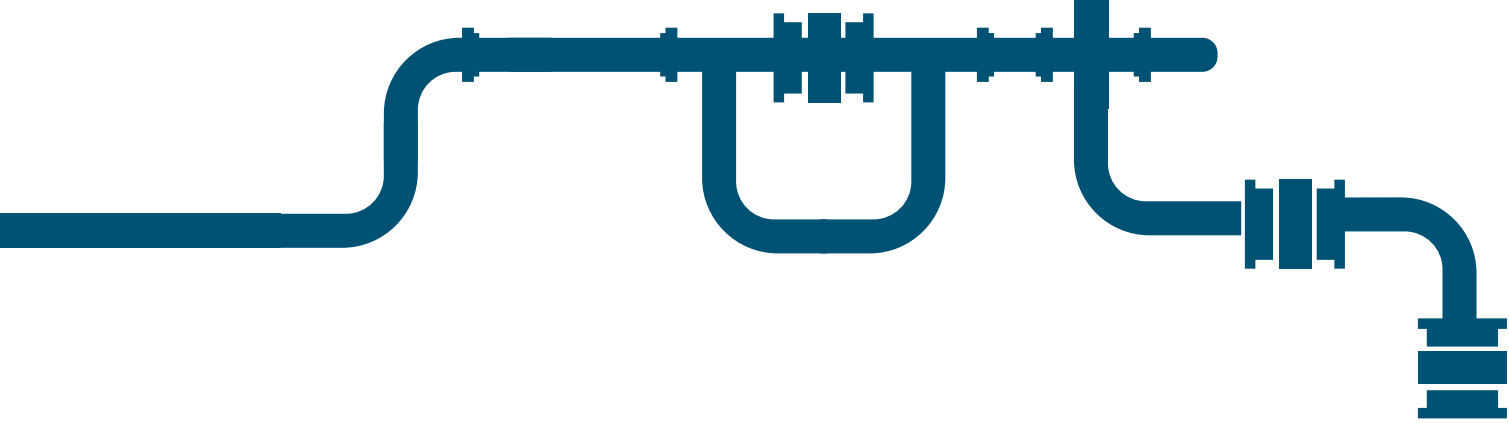
Capital subsidy scheme: The Indian government, on 1st April, 2014, launched a credit-linked subsidy scheme, implemented through NABARD (National Bank for Agriculture and Rural Development) to promote 10,000 solar photovoltaic pumping systems in the country for irrigational purposes. The scheme will be effective for a two-year period till 31st March, 2016. Under the scheme, farmers will be eligible for a 40% subsidy on the actual cost of MNRE-approved solar PV pumps systems. The scheme involves

provision of loans by commercial banks and RRBs for installation of solar PV pumping systems for the purpose of irrigation; capital subsidy will be provided for the same.

Solar pumping programme: The Ministry of New and Renewable Energy in coordination with Ministry of Agriculture through State Nodal Agencies, NABARD, and Ministry of Drinking Water and Sanitation has proposed to sanction 1,00,000 SPV pumps for 2014-15; it is expected that by 2020-21, at least 10,00,000 solar pumps will be

deployed for irrigation and drinking water supply. Initially, a sum of ₹400 crore has been allocated to the project. The average price of a solar pump of 5HP is ₹5 lac which attracts 85% government subsidy.

(Source: <http://mnre.gov.in/file-manager/UserFiles/Scheme-for-Solar-Pumping-Programme-for-Irrigation-and-Drinking-Water-under-Offgrid-and-Decentralised-Solar-applications.pdf>).



Energy-consciousness and Shakti Pumps

Population growth and increases in per capita income are the key drivers behind growing demand for energy. By 2035, the world's population is projected to reach 8.7 billion, which means an additional 1.6 billion people will need energy.

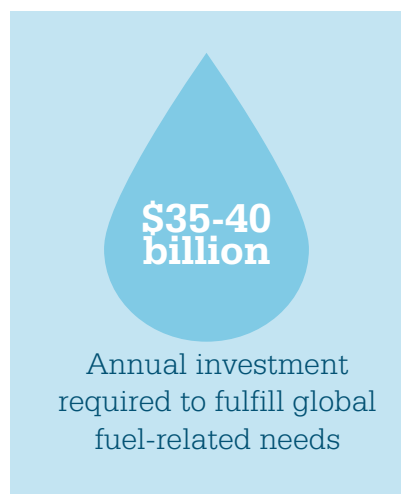
Currently, around 1.5 billion people, or more than a fifth of the world's population, have no access to electricity, and a billion more have only an unreliable and intermittent supply. Of the people without electricity, 85% live in rural areas or on the fringes of cities. Extending energy grids into these areas is expensive: it is estimated that an average of \$35-40 billion a year needs to be invested until 2030, so everyone on the planet can cook, heat and light their premises, and have energy for productive uses such as schooling. (Source: United Nations). On the basis of current trends, however, the number of 'energy poor' people will barely budge, and 16% of the world's population will still have no electricity by 2030. (Source: International Energy Agency and BP Energy Outlook 2035)

The energy shift now under way is as much geographical as it is technological. Case in point: by 2040, the developing world will account for 65% of the world's energy consumption. (Source: United States Energy Information Administration)

Then there is the issue of GHG emission. The facts of the matter are

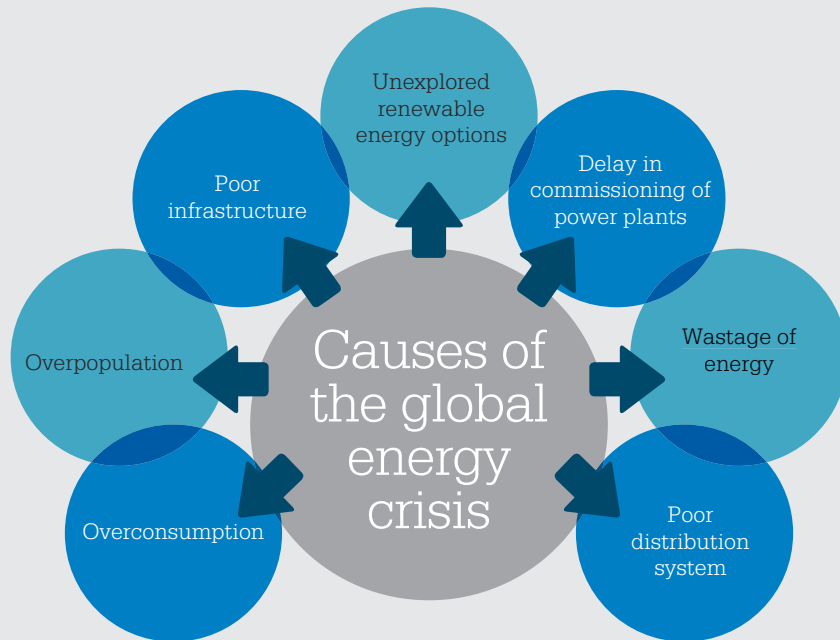
these: much of the increase in the developing world's energy use comes from population growth. India, for instance, is expected to add twice the number of people than will be born in the 34 OCED nations between 2010 and 2040.

But compounding the problem is the fact that energy consumption per person is predicted to rise as well in the developing countries as they grow richer and their citizens covet cars, better climate control, and power-hogging devices.



On the basis of current trends, however, the number of 'energy poor' people will barely budge, and 16% of the world's population will still have no electricity by 2030.

Causes of the global energy crisis



Overconsumption

The energy crisis is a result of many different strains on our natural resources, not just one. There is a strain on fossil fuels such as oil, gas and coal due to overconsumption which, in turn, can put a strain on our water and oxygen resources by causing pollution.

Overpopulation

Another cause of the crisis has been the steady increase in the world's population and its demands for fuel and products. No matter what type of food or products you choose to use – from fair trade and organic to those made from petroleum products in a sweatshop – not one of them is made or transported without a significant drain on our energy resources.

Poor infrastructure

Aging infrastructure of power-generating equipment is yet another reason for energy shortage. Most energy producing firms keep on using outdated equipment that restricts the production of energy. It is the responsibility of utilities to keep on upgrading the infrastructure and set a high standard of performance.

Unexplored renewable energy options

Renewable energy still remains unused in most countries. Most of the energy comes from non-renewable sources like coal. It still remains the top choice to produce energy. Unless we give renewable energy a serious thought, the problem of energy crisis cannot be solved. Renewable energy sources can reduce our dependence

on fossil fuels and also help reduce greenhouse gas emissions.

Delay in commissioning of power plants

In a few countries, there is a significant delay in commissioning of new power plants that can fill the gap between demand and supply of energy. The result is that old plants come under huge stress to meet the daily demand for power. When supply does not match demand, it results in load shedding and breakdown.

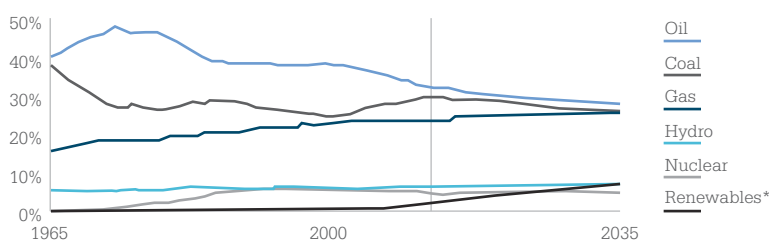
Wastage of energy

In most parts of the world, people do not realise the importance of conserving energy. It is limited to books, internet, newspaper ads, lip service and seminars. Unless we give it a serious thought, things are not going to change anytime sooner. Simple things like switching off fans and lights when not in use, using maximum daylight, walking instead of driving for short distances, using LEDs instead of traditional bulbs, proper insulation for leakage of energy can go a long way in saving energy.

Poor distribution system

Frequent tripping and breakdown are result of a poor distribution system.

Shares of primary energy



*Includes bio fuels

Possible solutions of the global energy crisis and Shakti Pumps



Move towards renewable resources

The best possible solution is to reduce the world's dependence on non-renewable resources and to improve overall conservation efforts. Much of the industrial age was created using fossil fuels, but there is also known technology that uses other types of renewable energies – such as steam, solar and wind. The major concern is not so much that we will run out of gas or oil, but that the use of coal is going to continue to pollute the atmosphere and destroy other natural resources in the process of mining the coal that it has to be replaced as an energy source. This is not easy as many of the leading industries use coal, not gas or oil, as their primary source of power for manufacturing. However, the good news is that renewable energy is being proactively considered by all countries including the developing countries. As can be seen from the chart, the share of renewables in the overall energy consumption is increasing.

Energy efficiency

Energy efficiency is gaining critical importance across the world. In fact, energy efficiency has become the largest source of the energy generation.

Easier grid access

People who use different options to generate power must be given permission

to plug into the grid and get credit for power you feed into it. The hassles of getting credit for supplying surplus power back into the grid should be removed. Apart from that, subsidy on solar panels should be given to encourage more people to explore renewable options.

Perform energy audit

Energy audit is a process that helps you identify the areas where your home or office is losing energy and what steps you can take to improve energy efficiency. Energy audit, when done by a professional, can help you to reduce your carbon footprint, save energy and money and avoid energy crisis.

Common stand on climate change

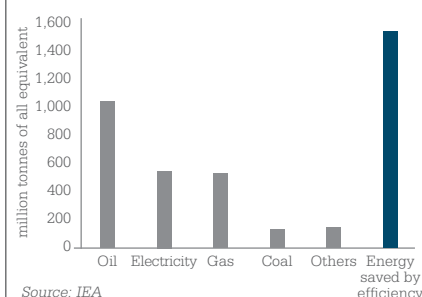
Both developed and developing countries should adopt a common stand on climate change. They should focus on reducing greenhouse gas emissions through an effective cross-border mechanism. With current population growth and overconsumption of resources, the consequences of global warming and climate change cannot be ruled out. Both developed and developing countries must focus on emissions cuts to half the current levels by 2050. (Source: <http://www.conserve-energy-future.com/causes-and-solutions-to-the-global-energy-crisis.php>)

How is Shakti preparing?

At Shakti Pumps, we do not wait for top-down solutions. We feel that providing energy-efficiency in a bottom-up way has a lot of inherent advantages and thus, we have highly energy-efficient stainless steel pumps in our portfolio. Further, to cater to the demand for renewable energy sources, we have launched solar pumps.

Solar pumps are a modern but field-proven means of pumping water. These systems use photovoltaic cells to convert sunlight into electricity to power pumps, which can be used to pump groundwater or surface water.

Energy efficiency – the no. 1 energy source



Risk management

Economy risk

A slowdown in the economy of the country may impact the pump industry as the demand may fall due to lower spending on the part of the government and by private players on the agriculture, infrastructure and commercial segments.

With a stable government at the helm, the economy has shown good signs of growth in the last fiscal by growing from 6.9% in 2013-14 to 7.4% in 2014-15. A growth in the economy means an increase in investment on the part of the government in different sectors like agriculture, infrastructure, commercial and real estate sectors which, in turn, is expected to boost the sale of energy-efficient rated pumps in different sectors. Further, various ambitious government projects like Swachchh Bharat Abhiyan, Ganga Cleaning programme, river connecting, Housing for All, rural electrification and construction of 6 crore toilets are expected to fuel the sector growth in the near future. Moreover, the demand for pumps is expected to be further increased with the focus of the different state governments on the modernisation of the municipal waste disposal facilities of the country.

Geopolitical risk

The Company's products are sold the world over. Any incidence of geopolitical tension could affect the size and quality of the markets being addressed. This is something that transpired in 2014-15 when geopolitical instability in some countries of the Middle East affected the Company's exports in a significant way.

The Company embarked on strengthening its counter-initiative. The Company widened its global footprint from 70 to 100 countries in the last three years. The widened footprint is likely to reduce the risks arising from geopolitical instability in select regions. It would be relevant to mention here that no country (save India) accounted for more than 12% of the Company's revenues during the year under review, an adequate de-risking. However, to retain focus, the Company has decided to penetrate deeper in few countries based on the market potential.

Unorganised segment risk

The pumps sector in India is accounted for the organised and unorganised sectors. The unorganised sector works

largely outside the ambit of the country's tax system, making it possible to price lower than organised manufacturers. There is an apprehension that this competitiveness of unorganised manufacturers will prevent organised manufacturers from growing their market share.

There is an interesting transformation happening within the country's pumps sector. Organised products are investing in technology and service support translating into superior product attributes reflected in cost savings and high productivity. Concurrently, the Indian consumer is getting increasingly aware that what may appear as a lower cost at the outset may translate into higher maintenance costs over time. The result is that the Indian consumer does not buy pumps only on the basis of the product cost but the overall life-cycle cost.

This awareness is mirrored in the phased increase in the share of organised pumps. What was only a 15% share has, in the last five years, increased to 50% of the market. New sales account for a disproportionately larger proportion of organised and branded pumps offtake.

Competition risk

An increasing competition may impact the Company's market share and growth.

The Company invested in technology to widen its competitive moat. It also invested in competent professionals and significantly strengthened its human capital across all business verticals. This has resulted in an expansion of our product offerings, reflected in products introduced over the last five years, accounting for more than 30% of the Company's revenues in 2014-15.

The Company's products are branded and promoted around performance (water throughput, maintenance costs, electricity moderation and time saving). Consequently, customers gain a distinctly superior product performance validated through quicker payback.

The Company has progressively widened its basket of products. It is among select industry peers who manufacture pumps that can be used down to 2000 feet. Besides, the Company's capacity utilisation at around 55% in 2014-15 indicates a high operating leverage which

can widen net margins without any significant incremental capex.

Extreme climate risk

There is a danger that climatic variations can affect farm viability and, in turn, the capacity of farmers to invest in pumps.

Over the years, the Company widened its global footprint with the objective to be present across diverse agro-climatic geographies as well as other sectors like industries, residential and commercial. The result is that an unforeseen climatic aberration in a few countries would be more than neutralised by favourable climatic outcomes in other countries/ other industries. At the close of the financial year under review, the Company was present in 100 countries and across almost every continent, a fair de-risking.

Subsidy increase risk

Additional subsidised power supplied to agriculture sector could potentially result in continuation of usage of energy inefficient pumps. Further, delay in remitting subsidy portion of solar pumps could impact the success of the solar pumps

implementation programme

At Shakti Pumps, we see the subsidy-driven environment as a restraining factor in the growth of the market for stainless steel submersible pumps. As subsidies moderate, the farmers will be inclined to seriously consider cost-saving tools and equipment. Alternatively, we believe that the Government should take steps to ensure the subsidy portion of the product is remitted to the suppliers of the pumps at the earliest to ensure success of this programme. We believe that the current programme ensures that the suppliers get their dues on time ensuring sufficient margins.

By the virtue of having established credentials in resource productivity, the products manufactured by Shakti Pumps – especially the solar submersible pump – are expected to find increasing favour.

Further, there is a growing optimism that subsidy phase-out will indeed happen.

Analysis of our financial statement (Standalone)

In 2014-15, Shakti Pumps reported a subdued performance due to a number of external factors in the exports market which impacted the Company's financial performance and profitability.

Basis of preparation

The financial statements of the Company were prepared in accordance with generally accepted accounting principles (GAAP) in India. The financial statements were prepared to comply in all material

respects with the accounting standards and the relevant provisions of the Companies Act, 1956/2013. The financial statements were prepared under the historical cost convention on an accrual basis. The accounting policies were consistently with those used in the previous year.

Financial performance review, 2014-15

Particulars	2014-15 (₹)	2013-14 (₹)	% growth
Total revenue	3,099,750,760	3,067,417,512	1
EBIDTA	580,148,392	550,520,837	5
PAT	257,202,666	265,134,400	(3)

Analysis of Profit & Loss Account

- The Company's revenue from operations (excluding other income) increased by only 1% from ₹2,965,523,286 in 2013-14 to ₹2,985,231,361 in 2014-15, largely owing to adverse external conditions in certain export markets of the Company. The domestic market revenue increased by 60% in 2014-15 while exports market revenue (excluding the specific ME geographies) increased by 50%, although on a lower base. We grew in each geography (other than ME markets where we pulled out due to geopolitical issues) and in each business segment.
- Raw material expenses as a

proportion of the total revenue stood at around 45.18% compared to previous years 44.09%. This demonstrates our ability to sell higher value added products which generates greater margins.

- The employee related expenses increased from ₹254,669,247 in 2013-14 to ₹346,678,053 in 2014-15, an increase of 36%, as the Company appointed senior professionals in production and sales and marketing for all its business verticals.
- The Company's other expenses for 2014-15 was ₹805,458,647, decrease of 16% from ₹954,714,528 in 2013-14. The decrease was primarily due to lower selling and distribution expenses driven by certain costs control initiatives and increasing pricing power.

Sources of funds

Particulars	2014-15 (₹)	2013-14 (₹)
Share capital	317,437,930	152,437,930
Reserves and surplus	1,776,719,166	1,176,147,147
Share warrant money	-	30,000,000
Net worth	2,094,157,096	1,358,585,077
Total loan funds	1,021,445,420	1,129,794,489

Net worth: The Company's net worth was ₹2,094,157,096 as on 31st March 2015, which increased by nearly 54% compared to the previous year's ₹135,858,5077 as on 31st March, 2014. The increase was due to a rise in the share capital by ₹165,000,000 and reserves and surplus by ₹600,572,019.

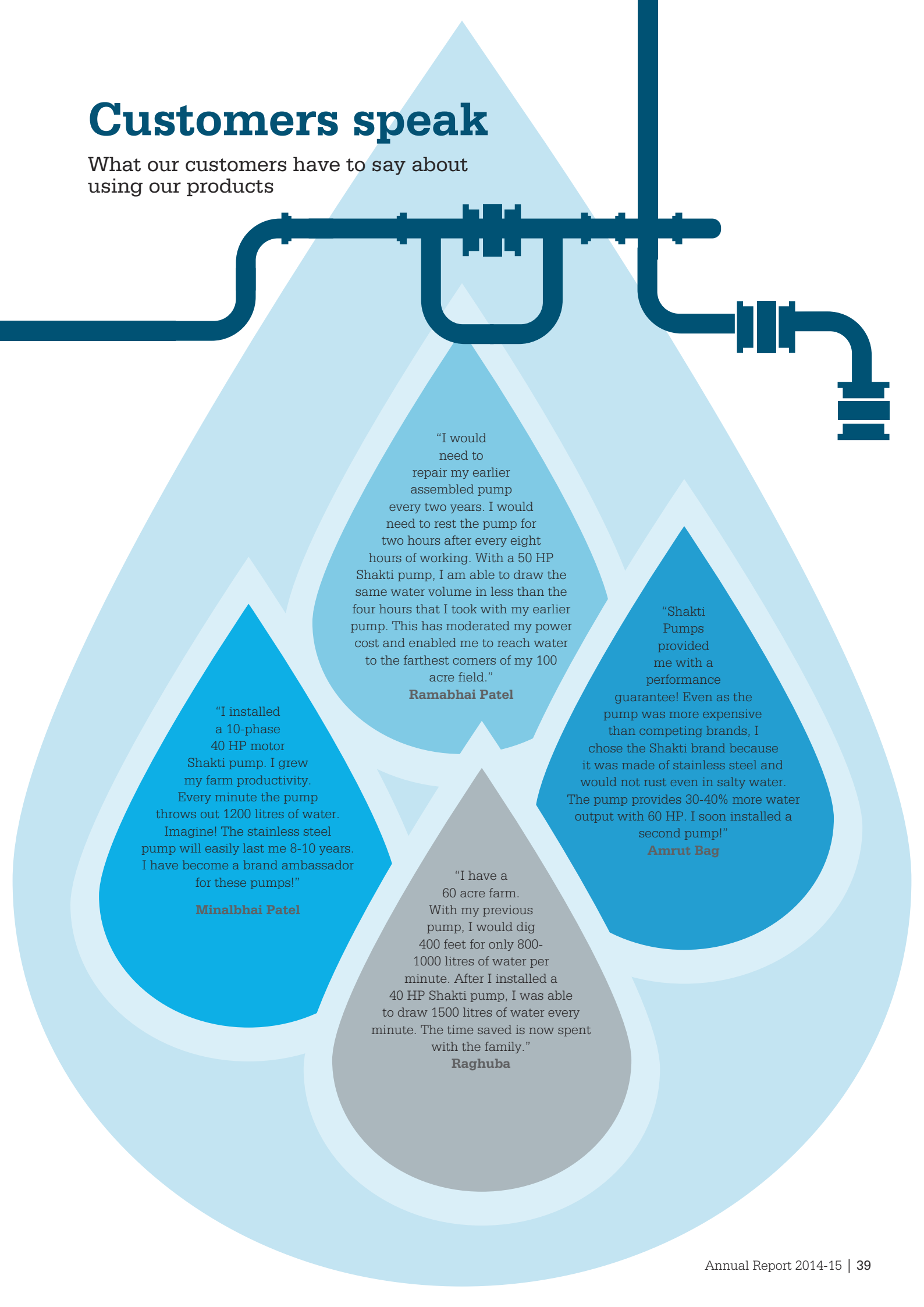
Share Capital: The share capital of the Company as on 31st March, 2015 stood at ₹317,437,930 compared to ₹152,437,930 as on 31st March, 2014, an increase of 108%, largely owing to the fresh issue of 1,500,000 15% Compulsory Convertible Preference Shares of ₹100 each during the year under review. Further, the promoters also converted the outstanding warrants to equity shares (1,500,000 equity shares) by infusion of capital in the Company.

Reserves and surplus: The reserves and surplus increased from ₹1,176,147,147 as on 31st March, 2014 to ₹1,776,719,166 as on 31st March, 2014. The increase was due to issue of preference shares at a premium and issue of shares to the promoters against warrants.

Loan funds: The long-term debt-equity ratio was 0.49 in 2014-15 against 0.83 in 2013-14, largely owing to a decline of 28% in the long-term borrowings (including the current portion of long term debts) along with a substantial increase in the share capital and reserves and surplus.

Customers speak

What our customers have to say about using our products



"I would need to repair my earlier assembled pump every two years. I would need to rest the pump for two hours after every eight hours of working. With a 50 HP Shakti pump, I am able to draw the same water volume in less than the four hours that I took with my earlier pump. This has moderated my power cost and enabled me to reach water to the farthest corners of my 100 acre field."

Ramabhai Patel

"I installed a 10-phase 40 HP motor Shakti pump. I grew my farm productivity. Every minute the pump throws out 1200 litres of water. Imagine! The stainless steel pump will easily last me 8-10 years. I have become a brand ambassador for these pumps!"

Minalbhai Patel

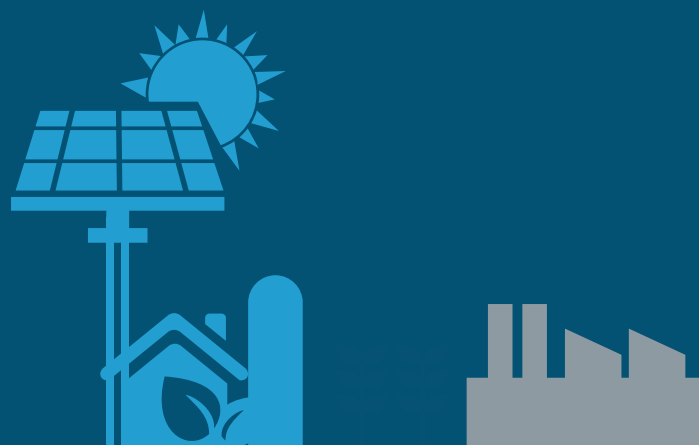
"I have a 60 acre farm. With my previous pump, I would dig 400 feet for only 800-1000 litres of water per minute. After I installed a 40 HP Shakti pump, I was able to draw 1500 litres of water every minute. The time saved is now spent with the family."

Raghuba

"Shakti Pumps provided me with a performance guarantee! Even as the pump was more expensive than competing brands, I chose the Shakti brand because it was made of stainless steel and would not rust even in salty water. The pump provides 30-40% more water output with 60 HP. I soon installed a second pump!"

Amrut Bag

Statutory section



Letter to Shareholders

Dear Shareholders

It gives me pleasure to present to you the annual report for the financial year 2014-2015.

This has been a year when your company has built on its strengths, consolidated its market position, confronted challenges and emerged much stronger and confident. As we look ahead to the coming years, I remain confident that your company is well poised to capitalise on the market opportunities in both the domestic and export markets.

In the year 2014-2015 the company had faced difficult market conditions in certain markets in the Middle East due to geo-political tensions. The management team exercised prudence and decided to reduce the Company's exposure to these markets. In the short term this decision has adversely impacted sales but we remain confident that this will protect and build shareholder value in the long term. The management team has also aggressively pursued growth in other export markets to rebalance the export portfolio. These initiatives have started to yield results and despite the overall revenue increased only by 1%, domestic revenue increased by about 60% and revenue from exports (excluding Middle East markets) grew by about 50%, albeit on a smaller base. I am confident that the company will continue to consolidate its presence in these key markets.

Over the last few years the Company has been actively growing its presence in the domestic markets through expanding its dealer network and building its brand recall through marketing programs. In 2014-15 we furthered strengthened the domestic business segment by augmenting the management team. We added professionals with extensive industry experience to lead the Company's domestic market initiatives in agriculture, industrial and solar pumps. The sales and marketing teams, for both domestic and export markets, have been significantly expanded.

As a large part of our sales (in both domestic and export markets) is through dealer networks we have initiated a major internal process improvement program that will enable the Company to deliver higher value to dealers and also optimise inventory. We have also expanded the company's product range with the introduction of sewage pumps, higher output irrigation submersible pumps and higher efficiency solar pumps. The Company's product portfolio is one of the most comprehensive one amongst the domestic and international competitors. Our R&D program remains strong and will continue to develop products that will maintain our leadership position.

We remain confident of the future and will continue to invest in growth initiatives to drive shareholders' value.

Finally, I wish to place on record my appreciation for our key assets, the employees, customers and channel partners of Shakti and thank all our stakeholders for their continued support.

Very truly yours,

Dinesh Patidar
Chairman and Managing Director



Shakti Pumps (India) Limited

CIN: L29120MP1995PLC009327

Registered Office: Plot No. 401,402 & 413, Sector III, Industrial Area, Pithampur- 454774, District: Dhar (M.P.)

E-mail: cs@shaktipumpsindia.com

NOTICE

Notice is hereby given that the 20th Annual General Meeting (AGM) of the members of Shakti Pumps (India) Limited will be held at the Registered Office of the Company at PLOT NO. 401, 402 & 413 SECTOR III, Industrial Area, Pithampur - 454774 on 26th September, 2015, Saturday, at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2015 including Audited Balance Sheet as at 31st March 2015 and the Statement of Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares of ₹2/- Per Equity Share of ₹10/- each of the Company for the Financial Year ended March, 31, 2015.
3. To appoint a Director in place of Shri Sunil Patidar (DIN: 02561763), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of section 139, 141 and 142 and all other applicable provisions of Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the company be and hereby appoint M/s. Vinay Gandhi & Associates, Chartered Accountants (Firm Registration No. 014442C) as Statutory Auditors of the Company to hold office from the conclusion of this 20th Annual General Meeting till the conclusion of the 21st Annual General Meeting of the Company, subject to ratification of the appointment by the Members of the Company at Annual General Meeting as per the provisions of the Companies Act, 2013 on such remuneration as may be agreed upon between the Board of Directors or any Committee thereof and the Statutory Auditors, in addition to the reimbursement of service tax and actual out of pocket expenses incurred in relation with the audit of accounts of the Company.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:-

“RESOLVED THAT pursuant to the provision of sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in a force), read with Schedule V to the Companies Act, 2013, approval be and is hereby granted to the re-appointment of Mr. Dinesh Patidar (holding DIN: 00549552), as the Chairman & Managing Director of the Company, for a period of three years from 1st September 2015 till 31st August, 2018, and to the payment of his remuneration, perquisites, and benefit arising out of such re-appointment on the terms and conditions as contained in the agreement entered into between the Company and Mr. Dinesh Patidar, the material terms of which are set out in the Explanatory Statement to this notice, and which agreement is submitted to this meeting for its approval.

FURTHER RESOLVED THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid Resolution, including the alteration and variation in the terms and conditions of the said re-appointment and/or agreement so not to exceed the limits specified in schedule V to the Companies Act, 2013, or any amendment thereto as may be agreed between the Board of Directors and Mr. Dinesh Patidar”.

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Bal Mukund Sharma (DIN: 07018632), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 14th

November 2014 pursuant to provisions of Section 161 (1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the said Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the Company, not subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years commencing from the date of his appointment as Additional Director i.e. 14th November 2014 up to the conclusion of Annual General Meeting to be held in 2019."

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Nishtha Neema (DIN: 01743710), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 28th March 2015 pursuant to provisions of Section 161 (1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the said Act from a member proposing her candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the Company, not subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years commencing from the date of her appointment as Additional Director i.e. 28th March 2015 up to the conclusion of Annual General Meeting to be held in 2019."

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and 161 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Sridhar Narayan (DIN: 00137243), nominated by AFHoldings be and is hereby appointed as a Nominee Director of the Company w.e.f. 17th December 2014 pursuant to provisions of Section 161 (3) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the

date of this Annual General Meeting and be and is hereby appointed as a Nominee Director of the Company, not subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years commencing from the date of his appointment as a Nominee Director i.e. 17th December 2014 up to the conclusion of Annual General Meeting to be held in 2019."

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. M. P. Turakhia & Associates, Cost Accountants (Firm Registration No. 000417) appointed as Cost Auditors by the Board of Directors of the Company to audit the cost records of the Company for the financial year 2015-16, be paid a remuneration of ₹50,000/ per annum plus applicable service tax and out of pocket expenses that may be incurred.

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

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT Consent of the members be and is hereby accorded to ratify the disclosure as per the Regulation 73 (1) (e) of Chapter VII of SEBI (ICDR) Regulations, 2009 as amended, as explained in point no. 2(e) of the explanatory statement of the EGM notice dated 17.09.2014 Details are as follows:

As per Regulation 73 (1) (e) of Chapter VII of SEBI (ICDR) Regulations, 2009 the company has to disclose the identity of the ultimate beneficial owners of the allottees (who are FII's). The same was disclosed by the company but BSE Limited given in principle approval under Clause 24(a) of the Listing Agreement for issue of 15,00,000 (Fifteen Lakhs) Compulsory Convertible Preference Shares ("CCPS") at a nominal value of ₹100/- (Rupees Hundred) and a premium of ₹200/- each and convertible into 16,36,363 (Sixteen Lakhs Thirty Six Thousand Three Hundred Sixty Three) equity shares of ₹10/- (Rupees Ten) each at a premium of ₹265/- (Rupees Two Hundred Sixty Five) each at a conversion ratio of 1:1.0909 ("Conversion Shares") by Shakti Pumps (I) Ltd. to AFHoldings ("Allottee") subject to disclose of the identity of ultimate beneficiary of non promoter allottees (other than individuals), to the shareholders and get it ratified by the shareholders in General Meeting as per BSE Letter Ref. DCS/PREF/CS/FIP/500/2014-15 dated November 12, 2014.

Point no. 2 (e) of the explanatory statement to the notice dated 17.09.2014 be read, considered and approved as follows:

- (e) the identity of (the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted

and/or who ultimately control) the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue:

Sl. No.	Name of the Proposed Allottee	Category	Pre-Issue no. of Equity Shares / Preferential Shares	Number of CCPS to be issued	Post Issue capital on conversion of Proposed CCPS	% of Holding upon conversion of all proposed CCPS and conversion of all outstanding warrants and other outstanding Compulsorily Convertible Instruments
1.	AFHoldings	Non-resident Investor	Nil	15,00,000	16,36,363	8.90 %

The proposed allottee(s) has not sold any shares during the 6 months period prior to the relevant date.

Identity of the ultimate beneficial owner –

In terms of SEBI Circular No CIR/MIRSD/2/2013 dated January 24, 2013 in the absence of ultimate beneficial owner who are natural person under paragraph 4 sub paragraph a and b of the said SEBI circular.

There are no natural persons who are either the ultimate beneficial owners of the CCPS or the Conversion Shares that are proposed to be issued to the Allottee or who ultimately control the Allottee. Hence, the ultimate beneficial owners of the CCPS or the Conversion Shares that are proposed to be issued is the Allottee itself.

The shareholder of the AFHolding is ETOBICOKE Limited, which holds 100% of the shares of the AFHolding, in its capacity as the trustee to South Asia Clean Energy Fund, LP. The beneficial interest of 100% of the shares held by ETOBICOKE Limited in the AFHolding vests with South Asia Clean Energy Fund, LP since ETOBICOKE Limited is holding these shares as a trustee to South Asia Clean Energy Fund, LP. Further, please note that there is no

single shareholder holding 25% or more in South Asia Clean Energy Fund, LP.

The directors of the AFHolding comprise of the following individuals:-

1. Mr. Radhirsingh Juddoo;
2. Mr. Mr. Ashraf Ali Deenmahomed;
3. Mr. Brian Foist;
4. Mr. Hugh Jeffrey Leonard

In terms of SEBI Circular No CIR/MIRSD/2/2013 dated January 24, 2013 in the absence of ultimate beneficial owner who are natural person under paragraph 4 sub paragraph a and b of the said SEBI circular we hereby disclose the identity of the relevant natural person who holds the position of senior managing official as required under 4 sub paragraph. The senior managerial person of South Asia Clean Energy Fund, LP is Mr. Brain Foist.

FURTHER RESOLVED THAT the above ratifications done by the members in compliance with the disclosures required as per Chapter VII of SEBI (ICDR) Regulations 2009 as amended from time to time."

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

R. Shadananan
Company Secretary
M. No. ACS 39143

Place: Pithampur
Date: 8th August, 2015

Notes:

1. A member entitled to attend and vote is also entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting. Members/ Proxies should bring their attendance slip duly filled in order to attend the meeting. A person can act as proxy on behalf of members' not exceeding fifty (50) and holding in the aggregate not more than ten (10) percent of the total share capital of the Company. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 is annexed hereunder and forms part of the Notice.
3. Brief resume of Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanship of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. The Register of Members and Share Transfer Book of the Company shall remain closed from Saturday, September 19, 2015 to Saturday, September 26, 2015 (both days inclusive).
6. The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched on to those members whose names shall appear on the Company's Register of Members on 18th September, 2015; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by Central Depository Services (India) Limited & National securities depository Limited (NSDL) as beneficial owners on that date.
7. Members are requested to bring their copies of the Annual Report with them, since separate copies will not be distributed at the venue of the Annual General Meeting.
8. The shareholders are hereby informed that all the correspondence in connection with the shares be addressed to the Registrar & Share Transfer Agent M/s Adroit Corporate Services Pvt. Ltd, 19/20, Jaferbhoy Industrial Estate, 1st floor Makwana Road, Marol Naka Mumbai, Maharashtra - 400059.
9. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
10. Members are requested to send their queries, if any, at least seven days in advance of the meeting.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Share Transfer Agent.
12. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
13. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend.

The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
14. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the Concerned Depository Participant and holdings should be verified.
15. Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
16. Electronic copy of the Notice of the 20th Annual General Meeting of the Company inter alia indicating the process and manner of E-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For

members who have not registered their email address, physical copies of the Notice of the 20th Annual General Meeting of the Company inter alia indicating the process and manner of E-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

17. Members may also note that the Notice of the 20th Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website at www.shaktipumps.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours (11.00 A.M. to 5.00 P.M.) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: cs@shaktipumpsindia.com.

18. E-voting

(I) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, and Clause 35B of the Listing Agreement, the Company is pleased to provide its members facility to exercise their right to vote for the annual general meeting by electronic means and the business may be transacted through the e-voting services provided by Central Depository Services (India) Limited.

19. Section 72 of the Companies Act, 2013 extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders willing to avail this facility may make nomination in Form SH-13.

20. The Ministry of Corporate Affairs (vide circular Nos.17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively, has undertaken a Green initiative in 'Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by representing / updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with Transfer Agent.

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 23rd September 2015, 9.00 A.M. and ends on 25th September 2015 05.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 19th September 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders.

(v) Now enter your User ID

- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client D,
- Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.

Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant Shakti Pumps (India) Limited on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance

User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions –

- The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the company as on the cut-off date (record date) of 19th September, 2015.
- Mr. Manish Maheshwari, Proprietor M/s M. Maheshwari & Associates, Company Secretaries (Membership No. FCS: 5174, CP No. 3860) has been appointed as the Scrutinizer to scrutinize the E-voting process in a fair and transparent manner.
- The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM and thereafter unblock the votes cast through Remote E-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall make, not later than forty eight (48) hours of conclusion of the AGM, a consolidated scrutinizer's report, of the total votes cast in favour or against, if any to the Chairman of AGM or any other person authorized by him in writing who shall countersign the same and declare the result of the voting. The results declared along with Scrutinizer's Report shall be placed on the Company's website www.shaktipumps.com and on the website of CDSL immediately after the result is declared.

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

R. Shadananan
Company Secretary
M. No. ACS 39143

Place: Pithampur
Date: 8th August, 2015

ANNEXURE TO THE NOTICE

Explanatory Statement In Respect of Special Business Pursuant to Section 102 of the Companies Act, 2013

Item No. 5

The tenure of Mr. Dinesh Patidar, as the Chairman & Managing Director of the Company to be ceased on 28th January 2016. Based on the recommendation of Nomination and Remuneration Committee, the Board at its meeting held on 8th August 2015, has re-appointed Mr. Dinesh Patidar as the Chairman & Managing Director for a further period of three years commencing from 1st September, 2015 till 31st August, 2018, on the following terms and conditions, subject to the approval by the members of the Company at this AGM. The remuneration payable to Mr. Dinesh Patidar as contained in the agreement signed between Mr. Dinesh Patidar and Company is within the limits prescribed in the Companies Act, 2013 ("the Act"). A brief profile of Mr. Dinesh Patidar is included as an annexure to this Notice as per the requirements of Clause 49 of the Listing Agreement with stock exchanges.

The terms and conditions on which Mr. Dinesh Patidar is proposed to be re-appointed as Chairman & Managing Director are as under:

a) Term:

The term of Chairman & Managing Director is for a period commencing from 1st September, 2015 till 31st August, 2018.

b) Salary :

₹14,00,000/- (Rupees Fourteen lacs only) per month.

c) Perquisites:

The perquisites shall be valued as per Income Tax Rules, 1962. However the amount of perquisites shall be restricted to annual salary. For this purpose, perquisites will be as follows:-

1. Medical Reimbursement: The reimbursement of actual medical expenses incurred by self and family of the Chairman & Managing Director.
2. Health Insurance: Health Insurance premium for covering self and dependant family members of Mr. Dinesh Patidar.
3. Leave Travel Concession: For self and family once in a year.
4. Club Fees: Fees of clubs subject to the maximum of two clubs.
5. Credit Cards: Entry and renewal fees to be reimbursed/paid by Company. All expenses for official purposes to be reimbursed/paid by the company at actual.
6. Leave: As per the Rules of the Company applicable to the Senior Executives.
7. Accident Insurance: Premium not to exceed ₹12,000/- per annum.

8. Car: Facility of Company Car with Driver.

9. Telephone: Company shall provide and maintain a telephone at residence and shall also provide mobile phone facilities. Personal long distance calls will be treated as perquisites.

d) Other Benefits:

In addition to the perquisites, the Chairman & Managing Director shall also be entitled to the following benefits, which shall not be included in the computation of ceiling on remuneration specified above:

- 1) Provident Fund: Company's Contribution towards Provident Fund at the rate of 12% of the salary or such rate prescribed as per Employees' provident fund and Miscellaneous Provisions Act, 1952.
- 2) Superannuation Fund: Company's Contribution subject to a maximum of 15% of the salary for every completed year of service.
- 3) Gratuity: As per the rules of the Company applicable to the Senior Executive.
- 4) Leave Encashment: Payable annually-in excess of 90 days.

e) Minimum Remuneration:

Notwithstanding anything herein above stated where in any accounting year, the company incurs a loss or its profit are inadequate, the Company shall continue to pay the same remuneration as stated above as minimum remuneration but not exceeding the limit specified under Part II of section II of Schedule V of the Companies Act, 2013, or such other limits as may be approved by the Central Government from time to time as minimum remuneration.

Considering the Vast knowledge and rich business experience of Mr. Dinesh Patidar, the Board recommends the passing of said Special resolution in the interest of the company.

None of the Directors, Key managerial personnel and relatives of such persons except Mr. Dinesh Patidar and Mr. Sunil Patidar is, in any way, concerned or interested, financial or otherwise, in the Resolution.

The Board recommends the Special Resolution set out at Item no. 5 for approval of the Members.

Item No. 6

The Board of Directors of the Company had appointed Mr. Bal Mukund Sharma as an Additional Director of the Company with effect from 14, November, 2014. In accordance with the provisions of Section 161 of Companies Act, 2013, Mr. Bal Mukund Sharma shall hold office up to the date of the

forthcoming Annual General Meeting.

The Company has received notice under Section 160 of the Companies Act, 2013 from a member signifying his candidature as an Independent Director of the Company.

The Company has received a declaration of independence from Mr. Bal Mukund Sharma as required under section 149 (6) of Companies Act, 2013. In the opinion of the Board, he fulfills the conditions specified in the Act, and Rules framed thereunder for appointment as an Independent director and he is an independent of the management.

Section 149(10) of the Act provided that an independent director shall hold office for a term of upto five consecutive years on the Board. Further, Section 149(13) of the Act states that the provision relating to retirement of directors by rotation shall not apply to the appointment of independent directors. In compliance with the provisions of the Companies Act, 2013, it is proposed to appoint Mr. Bal Mukund Sharma as an independent director of the Company to hold office for a term up to conclusion of Annual General Meeting to be held in the year 2019."

A brief profile of Mr. Bal Mukund Sharma, the nature of his expertise, the names of companies in which he holds directorships along with the details of membership / chairmanship on various committee of the Board of other companies, shareholding in the company and relationship between the directors inter-se is annexed to this notice.

The Company has received an intimation from Mr. Bal Mukund Sharma to the effect that he is not disqualified from being appointed as a Director in terms of Section 164(2) of the Companies Act and has given his consent to act as a Director of the Company.

A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of appointment of Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company www.shaktipumps.com

None of the Directors or Key Managerial Personnel and their relatives, except Mr. Bal Mukund Sharma, is concerned or interested (financially or otherwise) in this Resolution.

The Board recommends the Ordinary Resolution set out at Item no. 6 for approval of the Members.

Item No. 7

The Board of Directors of the Company had appointed Mrs. Nishtha Neema as an Additional Director of the Company with effect from 28, March, 2015. In accordance with the provisions of Section 161 of Companies Act, 2013, Mrs. Nishtha Neema shall hold office up to the date of the forthcoming Annual General Meeting.

The Company has received notice under Section 160 of the

Companies Act, 2013 from a member signifying her candidature as an Independent Director of the Company.

The Company has received a declaration of independence from Mrs. Nishtha Neema as required under section 149 (6) of Companies Act, 2013. In the opinion of the Board, she fulfills the conditions specified in the Act, and Rules framed thereunder for appointment as a Women Independent director and she is an independent of the management.

Section 149(10) of the Act provided that an independent director shall hold office for a term of upto five consecutive years on the Board. Further, section 149(13) of the Act states that the provision relating to retirement of directors by rotation shall not apply to the appointment of independent directors.

In compliance with the provisions of the Companies Act, 2013, it is proposed to appoint Mrs. Nishtha Neema as a Women Independent director of the Company to hold office for a term up to conclusion of Annual General Meeting to be held in the year 2019."

A brief profile of Mrs. Nishtha Neema, the nature of his expertise, the names of companies in which she holds directorships along with the details of membership / chairmanship on various committee of the Board of other companies, shareholding in the company and relationship between the directors inter-se is annexed to this notice.

The Company has received an intimation from Mrs. Nishtha Neema to the effect that she is not disqualified from being appointed as a Director in terms of Section 164(2) of the Companies Act and has given his consent to act as a Director of the Company.

A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of appointment of Women Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company www.shaktipumps.com

None of the Directors or Key Managerial Personnel and their relatives, except Mrs. Nishtha Neema is concerned or interested (financially or otherwise) in this Resolution.

The Board recommends the Ordinary Resolution set out at Item no. 7 for approval of the Members.

Item No. 8

Mr. Sridhar Narayan [DIN 00137243] was appointed as a Nominee Director of the Company with effect from 17th December 2014, as per the nomination received from M/s. AFHoldings, pursuant to the Agreement entered in to between the Company and AFHoldings. As per the provisions of Section 161 of the Companies Act, 2013 read with Articles of Association of the Company, Mr. Sridhar Narayan continues to hold office as a Director until the conclusion of the ensuing Annual General Meeting.

Pursuant to Section 160 of the Companies Act, 2013, the Company has received notice from a member signifying his intention to propose Mr. Sridhar Narayan as candidate for the office of Director of the Company, not liable to retire by rotation.

A brief profile of Mr. Sridhar Narayan, the nature of his expertise, the names of companies in which he holds directorships along with the details of membership / chairmanship on various committee of the Board of other companies, shareholding in the company and relationship between the directors inter-se is annexed to this notice.

The Company has received an intimation from Mr. Sridhar Narayan to the effect that he is not disqualified from being appointed as a Director in terms of Section 164(2) of the Companies Act and has given his consent to act as a Director of the Company.

The Board considers that the appointment of Mr. Sridhar Narayan as a Director of the Company shall benefit the Company immensely. Accordingly, the Board recommends the appointment of Mr. Sridhar Narayan as a Director of the Company, whose period of office is not liable to retire by rotation.

Except Mr. Sridhar Narayan to whom the resolution relates and his relatives (to the extent of their shareholding interest in the Company), none of the Directors and Key Managerial Personnel and their relatives is concerned or interested financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board recommends the Ordinary Resolution set out at Item no. 8 for approval of the Members.

Item No. 9

In pursuance of Section 148 of the Companies Act, 2013 and

Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company. On the recommendation of the Audit Committee at its meeting held on May 21, 2015, the Board has, considered and approved the appointment of M/s. M. P. Turakhia & Associates, Cost Accountants as the cost auditor for the financial year 2015-16 at a remuneration of ₹50,000/- per annum plus applicable service tax and reimbursement of out of pocket expenses.

The Board recommends this resolution for approval of the Members.

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

Item No. 10

Point no. 2(e) of the explanatory statement accompanying the EGM notice dated 17.09.2014 be read as mentioned in item no.10 of this notice and the same is to be ratified by the members. These ratifications have been proposed by BSE vide letter no DCS/PREF/CS/FIP/500/2014-15 dated November 12, 2014.

Your Directors recommend the members approval for the above special resolutions by way of ratification.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution except Mr. Sridhar Narayan, Nominee Director of AFHoldings.

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

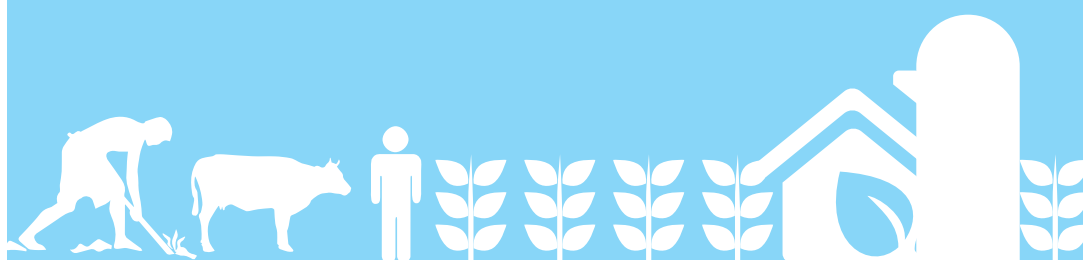
R. Shadananan
Company Secretary
M. No. ACS 39143

Place: Pithampur
Date: 8th August, 2015

DETAILS OF DIRECTOR SEEKING APPOINTMENT/ RE-APPOINTMENT

Name of Director	Mr. Bal Mukund Sharma	Mrs. Nishtha Neema	Mr. Sridhar Narayan	Mr. Dinesh Patidar	Mr. Sunil Patidar
Date of Birth	27.09.1953	01.12.1980	30.10.1971	25.03.1962	13.07.1969
Age	62Years	35 Years	44Years	53Years	46 Years
Date of Appointment	14.11.2014	28.03.2015	17.12.2014	30.01.2006	21.04.1995
Experience in specific functional area	38 Experience in the field of electric Machine, Machine designs, &Testing of Electric Machine	CA over 12 Years Experience in Accounts &Taxation	Over 20 years of investing experience in Indian public listed and private equity markets.	He has a experience over 3 decades in the field of Manufacturing & Selling Stainless Steel Pumps	Expert in the Human Resources Management and Industrial Relations
Qualification	Electrical engineer	Chartered Accountant	B. Tech – M E (IIT, BHU) and PGDM (IIM, Bangalore)	Graduate	Graduate
No & % of Equity share held in the Company	Nil	Nil	Nil	3521488	1562200
List of outside public ltd company's directorship held	Nil	1.Signet Industries Ltd	1. Sai Sudhir Energy Limited	1.Shakti Irrigation India Limited	1.Shakti Irrigation India Limited
Chairman / Member of the Committees of the Board of Directors of the Company	Chairman 1 Member 3	Chairperson 1 Member 1	Nil	Member 1	Nil
Chairman/ Member of the Committees of the Board Directors of other Companies in which he is director	Nil	Chairperson 1 Member 2	Nil	Nil	Nil
Relation between director inter -se	Nil	Nil	Nil	Brother of Sunil Patidar (Whole Time Director)	Brother of Dinesh Patidar (Chairman and Managing Director)

Boards' Report



Dear members

The Directors are pleased to present the 20th Annual Report and the Company's Audited Financial Statement for the financial year ended March 31, 2015.

Financial Highlights

The financial performance of the Company, for the year ended March 31, 2015 compared with previous financial year is summarized below:

(₹ in lacs)

Particulars	2014-15	2013-14
Sales & Other Income	30,997.50	30,674.17
Total Expenditure	25,196.02	25,168.96
Earning before Finance Cost, Depreciation & Tax	5,801.48	5,505.21
Less: Finance Cost	1,316.64	1,258.61
Depreciation & Amortization Expenses	982.36	676.71
Profit before Tax	3,502.47	3,569.87
Current Tax	880.04	848.41
Deferred Tax	50.04	122.18
Mat Credit Entitlement	-	(52.06)
Profit after Tax	2,572.02	2,651.34
Appropriation proposed :		
Proposed Dividend	419.33	304.87
Tax on Proposed Dividend	83.86	51.81

Financial performance

During the year, your Company has registered sales and other income of ₹30,997.50 lacs as compared to ₹30,674.17 lacs of previous year showing an increase of 1.05%, despite a decrease of 24.62% export turnover. Export sales have decreased by ₹5,108.05 lacs (₹15,643.40 lacs during 2014-15 and 20,751.45 lacs in 2013-14) due to geo-political issues. However, the Company

registered a domestic sales growth of 57.43% i.e. ₹5,396.28 lacs and could achieve an over all sales growth of 1.05%. The Company earned profit before depreciation, interest and tax of ₹5,801.40 lacs as against ₹5,505.20 lacs in the previous year, showing a growth of 5.38% over previous year.

Dividend

The Board has paid a dividend at the stipulated rate of ₹15 per share on the 15% compulsory

convertible Preference Shares of ₹100/- each of the Company for the year ended March 31, 2015. Considering the Company's performance and financial position for the year under review, the Board has also recommended a dividend of ₹2/- (20%) per fully paid-up Equity Share of ₹10/- each of the Company, for the year ended March 31, 2015, subject to the approval of the Members at the ensuing Annual General meeting. Together with Corporate tax on dividend, total outflow, on account of equity dividend, will be ₹419.33 lacs, vis-à-vis ₹304.87 lacs paid for F.Y. 2013-14.

Listing information

During the year under review the equity shares of the Company are listed with the BSE Limited and also at National Stock Exchange of India Limited (NSE) where the shares were admitted to dealing and trading on with effect from 29th January, 2015.

Share capital

The authorized share capital of the Company as on 31st March, 2015 is ₹40.00 crores. During the year under review the Company has increased the authorized share capital from ₹25.00 crores to ₹40.00 crores (Rupees Forty Crores only) divided into 2,50,00,000 (Two Crores Fifty Lacs) equity shares of ₹10 (₹ Ten only) each, 15,00,000 (Fifteen Lacs) 15% compulsory convertible Preference Shares of ₹100/- each.

The paid up share capital of the Company as on 31st March, 2015 is ₹31,74,37,930/-. During the year under review the Company has issued 15,00,000 15% compulsory convertible Preference Shares of ₹100/- each at the rate of 300 per share (including premium of ₹200 per share) on private placement basis to AFHoldings.

Subsidiaries, Joint Ventures and Associates Companies

As on March 31, 2015 your Company is having following Subsidiaries :

1. Shakti Pumps USA LLC, USA
2. Shakti Pumps FZE, UAE
3. Shakti Pumps PTY LTD Australia

There has been no material change in the nature of the business of the Company and it's Subsidiary.

The Consolidated Financial Statement of the Company prepared as per the Accounting standards AS-21, AS-23, & AS-27, Consolidated the Company's account with its Subsidiaries have also been included as part of this Annual Report.

Directors Responsibility Statement

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Management Discussion and Analysis Report

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

Corporate Governance

Corporate Governance is an ethically driven business process that is committed to values aimed at enhancing an organizations brand and reputation. The new Companies Act, 2013 and amended Listing Agreement have strengthened the governance regime in the country. The Company is in compliance with the governance requirements provided under the new law and had proactively adopted many provisions of the new law, ahead of time. The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI.

A separate report on Corporate Governance is provided together with a Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Equity Listing Agreement with the Stock Exchange(s). A Certificate of the MD and CFO of the Company in terms of sub-clause IX of Clause 49 of Equity Listing Agreement, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.

Fixed deposits

During the financial year 2014-15, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

Contracts and Arrangements with Related Parties

During the financial year 2014-15, the Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, which were in the ordinary course of business and on arms' length basis and in accordance with the provisions of the Companies Act, 2013, Rules issued there under and Clause 49 of the Listing Agreement. During the financial year 2014-15, there were no transactions with related parties which qualify as material transactions under the Listing Agreement.

In line with the requirements of the Companies Act, 2013 and Equity Listing Agreement, the Company has formulated a Policy on Related Party Transactions which is also available on Company's website at [www.shaktipumps.com / investorrelations/ Policies](http://www.shaktipumps.com/investorrelations/Policies). The Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and Related Parties. Therefore the Company is not required to furnish any particulars in the Form AOC-2.

Corporate Social Responsibility

As part of its initiatives under Corporate Social Responsibility

(CSR) the Company has undertaken projects which are largely in accordance with Schedule VII of the Companies Act, 2013. The details of the same are attached as Annexure I in the report.

Risk Management

The Company has properly analyzed and identified the key business risk area and a Risk Mitigation process. The Company had extensively exercised at regular intervals to identify, evaluate, manage and monitor all business Risk. Company has also framed an elaborate Risk Management policy.

Internal Financial Control

According to Section 134(5)(e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Company has a well placed, proper and adequate internal control system, which ensures, that the efficiency and profitability of operations, the reliability of information, adhering to rules regulations, that all assets are safeguarded and protected, and that the transactions are authorized, recorded and reported regularly and correctly.

Directors

As per the Companies Act, 2013, Mr. Sunil Patidar, will retire in the ensuing Annual General Meeting and being eligible, seek re-appointment.

During the year under review the following persons were appointed as Additional Directors to hold office of Director up to the date of the forthcoming Annual General Meeting. The Company has received letters from shareholders recommending the appointment them as Directors.

Sl. No.	Name of Directors	DN	Date of Appointment	Category
1.	Mr. B M Sharma	07018632	14-11-2014	Independent Director
2.	Mr. Sridhar Narayan	00137243	17-12-2014	Nominee Director
3.	Mrs. Nishtha Neema	01743710	28-03-2015	Independent Women Director

Further, in compliance with the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, they all were appointed as Non-Executive Directors of the Company.

Mrs. Pooja Mahajan who was appointed as Nominee Director as IFCI Venture's nominee under Green India Venture Fund (GVIF) has resigned with effect from November 14, 2014.

The Board places on record its appreciation for her valuable contribution during her association with the Company.

Policy on Directors' appointment and Remuneration and other details

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

Annual Evaluation of Board's Performance:

In accordance with the provisions of Schedule IV of the Companies Act 2013, a separate meeting of the Independent Directors was held on March 28, 2015. Without the attendance of Non Independent Directors and Members of the Management. The Committee has reviewed the performance

and effectiveness of the Board in this meeting as a whole for the Financial Year 2014-2015.

Key Managerial Personnel

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

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

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

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

Mr. Akhilesh Maru: Chief Financial Officer

Mr. Manoj Maheshwari: Company Secretary & Compliance Officer (till 30/04/2015)

Number of Meetings of the Board

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

Disclosure Relating to Remuneration of Directors, Key Managerial Personnel and Particulars of Employees

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

Sl. No.	Name	Designation & Nature of Duties	Remuneration in ₹	Qualification	Experience	Date of commencement of Employment	Age (in Years)	Last Employment Held
1.	Dinesh Patidar	Managing Director	1,68,00,000	Graduate	30 Years	Since Incorporation	54 years	-

Details Pertaining to Remuneration as Required Under Section 197 (12) of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration Managerial Personnel Rule 2014)

- 1) The ratio of Remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2014-15 and

- 2) The percentage increase in Remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary or Manager if any in the Financial year.

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for the Financial Year 2014-15 (in ₹)	Percentage Increase in Remuneration for the Financial Year 2014-15	Ratio of Remuneration of each Director to the Median Remuneration of Employees
1.	Mr. Dinesh Patidar, Managing Director	16800000	324.35%	105.81%
2.	Mr. Sunil Patidar, Whole Time Director	1304300	-10.22%	8.22%
3.	Mr. Ramesh patidar, Whole Time Director	20,39,320	-1.93%	12.85%
4.	Mr. Akhilesh Maru, CFO	1862294	6.87%	11.72%
5.	Mr. Manoj Maheshwari, Company Secretary	697123	21.76%	4.39%

Disclosure by Independent Directors

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Disclosure Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In accordance with the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under, the Company formulated an internal policy on Sexual Harassment at workplace (Prevention, Prohibition and Redressal) during the year under review.

The policy aims at educating employees on conduct that constitute sexual harassment, ways and means to prevent occurrence of any such incident, and the mechanism for dealing with such incident, and the mechanism for dealing with such incident in the unlikely event of its occurrence.

The Company has zero tolerance on Sexual Harassment at workplace. During the year under review, no complaints were received against the sexual harassment at workplace.

Auditors

M/s Vinay Gandhi & Associates, Chartered Accountants, who are the statutory auditors of the Company, hold office till the conclusion of the forthcoming AGM and being eligible have consented and offered them-selves for re-appointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint

M/s Vinay Gandhi & Associates, Chartered Accountants as Statutory Auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the twenty-first AGM to be held in the year 2016, subject to ratification of their appointment at AGM.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Manish Maheshwari, Practicing Company Secretary to conduct the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith Annexure II to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Cost Auditor

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

The Board of Directors, on the recommendation of Audit Committee, has appointed M/s. Mihir Turkhia & Associates, Cost Accountant, as Cost Auditor to audit the cost accounts of the Company for the Financial Year 2015-16 at a remuneration of ₹50000.00. As required under the Companies Act, 2013, a

resolution seeking members' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

Extract of Annual Return

In accordance with the provisions of Section 134 (3)(a) of the Companies Act, 2013, the extract of Annual Return as on March 31, 2015 in the prescribed Form No. MGT-9, pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies(Management and Administration) Rules, 2014 is attached herewith as 'Annexure III' and forms part of this Report.

Disclosures

Corporate Social Responsibility (CSR) Committee

The CSR Committee as on March 31, 2015 comprises of the following Directors:

01	Mr. Navin Patwa
02	Mr. S S Raghuvanshi
03	Mr. Raj Kumar Jain
04	Mr. Dinesh Patidar

Audit Committee

The Audit Committee as on March 31, 2015 comprises of the following Directors

01	Mr. Navin Patwa
02	Mr. S S Raghuvanshi
03	Mr. Raj Kumar Jain
04	Mr. Dinesh Patidar

Further, all recommendations of Audit Committee were accepted by the Board of Directors.

Vigil Mechanism

The Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. More details on the vigil mechanism and the Whistle Blower Policy of the Company have been outlined in the Corporate Governance Report which forms

part of this report and also available at Company's website.

Particulars of Loans Given, Investments made, Guarantees given and Securities Provided

Pursuant to Section 134 (3)(g) of the Companies Act, 2013 particulars of loans, guarantees or investments provided by the Company under Section 186 of the Act as at end of the Financial Year 2014-15 are disclosed in the Note to the Financial Statement attached with the Board Report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

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

Significant and Material Orders Passed by the Regulators or Courts

There are no significant and material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

Acknowledgement

The Directors of the Company wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year.

The Directors sincerely convey their appreciation to customers, shareholders, vendors, bankers, business associates, regulatory and government authorities for their continued support.

For and on behalf of the Board of Directors

Dinesh Patidar
Managing Director
DIN : 00549552

Place: Pithampur
Dated: 08.08.2015

Annexure 'I' to Directors Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

CSR Policy of the Company

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

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

The CSR policy is available on WWW.SHAKTIPUMPS.COM

Average net profit of the Company for the last three financial years:

Average net Profit ₹253230902

4. **Prescribed CSR Expenditure** (Two percent of the amount as in item 3 above) The Company is required to spend ₹5064618

5. Details of CSR spend for the financial year:

- a) Total amount spent for the financial year: ₹4806126.89
- b) Amount unspent: ₹258491.11
- c) Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR Project or Activity identified	Sector in Which the project is Covered	Projects or Programs (1) Local Area or other (2) Specify the State and District where projects or programmes was undertaken	Amount Outlay (Budget) project or programmes wise (₹)	Amount spent on the project or programmes (₹)	Cumulative expenditure upto reporting period (₹)	Amount spent: Direct or through implementing agency (₹)
1.	Maa Umiya Temple, Village Karondiya Dist. Khargone	Social	Karondiya	50,000	47,214.36	47,214.36	Direct
2.	Bal Mahotsav, Mhow	Social	Mhow	10,000	5,100.00	5,100.00	Direct
3.	GSITS Students Fees	Social	Indore	2,00,000	1,94,865	194865.00	Direct
4.	Social welfare	Social	Indore	60,000	52,934.00.	52,934.00	Direct
5.	Lord Ayyappa Society	Social	Pithampur	5000	5000.00	5000.00	Implementing agency
6.	Shakti Foundation	Social	Rau	27,50,000	27,31,000.00	27,31,000.00	Implementing Agency
7.	PHED Jaipur (Water Supply System)	Social	Jaipur	6,50,000.00	6,50,012.00	6,50,012.00	Implementing Agency
8.	PHED Vidisha (Water Supply System)	Social	Vidisha	6,70,000.00	6,70,000	6,70,002.00	Implementing Agency
9.	Gram Panachayat	Social	Village kalia Near Pune	4,50,000	4,50,000	4,49,999.53	Implementing Agency

Implementing Agency:-

6. During the financial year the Company has spent ₹48,06,126.89 out of ₹50,64,618.00 and the Company could not spend the remaining balance amount due to difficulties of fund allocation and need more time for verification of various proposals received from Implementing Agencies. The Company is fully committed & dedicated towards its Social Responsibility. The balance amount will be spent in the financial year 2015-16.

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

Signature

Managing Director

Signature

CS Navin Patwa

Chairman CSR Committee

Annexure 'II' to Directors Report

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

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

To,

The Members,

SHAKTI PUMPS (INDIA) LIMITED

CIN: L29120MP1995PLC009327

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

Pithampur (M.P.) - 454774

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

Based on our verification of the SHAKTI PUMPS (INDIA) LIMITED books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on March 31, 2015 according to the provisions of:

- i. The Companies Act, 2013 and The Companies Act, 1956(to the extent applicable) (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India

(Issue of Capital and Disclosure Requirements) Regulations, 2009-

- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not applicable as the Company has not any ESOP Scheme;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issue any debt securities;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1999 - **Not applicable as the Company has not bought back/propose to buyback any of its securities during the financial year under review.**
- vi Other laws applicable to the Company as per the representation made by the Management;
- 1. Factories Act, 1948
 - 2. The Payment of Wages Act, 1936
 - 3. The Minimum Wages Act, 1948
 - 4. Employees' State Insurance Act, 1948
 - 5. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
 - 6. The Payment of Bonus Act, 1965
 - 7. The Payment of Gratuity Act, 1972
 - 8. The Contract Labour (Regulation & Abolition) Act, 1970
 - 9. The Maternity Benefit Act, 196
 - 10. The Child Labour (Prohibition & Regulation) Act, 1986
 - 11. The Industrial Employment (Standing Order) Act, 1946
 - 12. The Employees' Compensation Act, 1923
 - 13. The Apprentices Act, 1961
 - 14. Equal Remuneration Act, 1976
 - 15. The Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013
 - 16. Water (Prevention and Control of Pollution) Act, 1974;
 - 17. Air (Prevention and Control of Pollution) Act, 1981
 - 18. Environment (Protection) Act, 1986
 - 19. The Legal Metrology Act, 2009
 - 20. The Negotiable Instrument Act, 1881

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India- Not applicable during the audit period.

- (ii) The Listing Agreements entered into by the Company with Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below-

- 1. **Company has not filed Form CHG 1 regarding creation of charge on motor vehicle under Section 77 of the Companies Act, 2013**

We further report that

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

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

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

We further report that during the Audit period the Company has no specific events / actions that having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standard, etc.

For **M Maheshwari & Associates**
Company Secretaries

Date : 4th August 2015

Place : Indore

MANISH MAHESHWARI

FCS 5174

C.P. No.3860

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

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

To,

The Members,

SHAKTI PUMPS (INDIA) LIMITED

CIN: L29120MP1995PLC009327

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

Pithampur (M.P.) - 454774

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

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

For **M. Maheshwari & Associates**

Company Secretaries

Manish Maheshwari

FCS-5174

CP-3860

Date: 4th August 2015.

Place: Indore

Annexure 'III' to Directors Report

EXTRACT OF ANNUAL RETURN - FORM MGT - 9

As on the financial year ended on 31st March, 2015

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

I. Registration and Other Details

CIN	L29120MP1995PLC009327
Registration Date	21/04/1995
Name of the Company	SHAKTIPUMPS(INDIA) LIMITED
Category / Sub-Category of the Company	PUBLIC LISTED COMPANY
Address of the Registered Office and contact details	401,402&413 INDUSTRIAL AREA SECTOR III PITHAMPUR, (DT) DHAR 454774 (M.P.)
Whether listed company	YES
Name, address and contact details of Registrar and Transfer Agent, if any	ANDROIT CORPORATE SERVICES PVT LTD

II. Principal Business Activities of the Company:

All the Business Activities contributing 10% or more of the total turnover of the Company is as stated below:

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Manufacturing pumps and motors	28132	100%

III. Name and Address of the Holding, Subsidiary and Associate Companies:

Sl. No.	Name	Address	Description
1	Shakti Pumps LLC, USA	740, Florida central, Parkway Suite #1008, Longwood, FL 32750, USA	Wholly owned subsidiary
2	Shakti Pumps FZE, UAE	Saifzone Sharjah, UAE. P.O. Box 8521	Wholly owned subsidiary
3	Shakti Pump Pty Ltd. Australia	Level 3, 49. York Street, Sydney NSW 2000	Wholly owned subsidiary
4	Shakti Irrigation India Limited	Plot No. 25,26,27 Industrial Area Rangwasa Road, Rau	Enterprise over which Relative of Key Mgt. are able to exercise significant influence.
5	Vintex Tools Pvt. Limited	S-3/4, Industrial Area, Sector III, Pithampur (M.P.)	Enterprise over which Relative of Key Mgt. are able to exercise significant influence.
6	Shakti Energy Solutions Pvt. Limited	S-3/4, Industrial Area, Sector III, Pithampur (M.P.)	Enterprise over which Relative of Key Mgt. are able to exercise significant influence.

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as % of the total Equity)

i) Category-wise Shareholding

SHAKTI PUMPS INDIA LIMITED - Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0		0.00
d) Bodies Corp.	14500	0	14500	0.10	37500	0	37500	0.22	0.13
e) Banks /FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other									
f-1) DIRECTORS RELATIVES	1766000	0	1766000	11.59	2516000	750000	3266000	19.51	7.92
f-2) DIRECTORS	5071688	0	5071688	33.27	5083688	0	5083688	30.36	-2.91
Total Shareholding of promoter (A)	6852188	0	6852188	44.95	7637188	750000	8387188	50.09	5.14
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	911852	0	911852	5.45	5.45
b) Banks / FI	1134556	0	1134556	7.44	1601	0	1601	0.01	-7.43
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	40000	0	40000	0.24	0.24
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (1)	1134556	0	1134556	7.44	953453	0	953453	5.69	-1.75
(2) Non - Institutions									
a) Bodies Corp.									
i) Indian	3491862	105600	3597462	23.60	3413475	0	3413475	20.39	-3.21
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lac	2437657	80708	2518365	16.52	2594707	79808	2674515	15.97	-0.55
ii) Individual shareholders holding nominal share capital in excess of ₹1 lac	928967	25800	954767	6.26	962871	24800	987671	5.90	-0.36
c) Others (Specify)									
c-1) Non Resident Indians (Individuals)	88954	0	88954	0.58	269847	0	269847	1.61	1.03
c-2) Clearing Member	97501	0	97501	0.64	57644	0	57644	0.34	-0.30
Sub-total (B)(2)	7044941	212108	7257049	47.61	7298544	104608	7403152	44.21	-3.39
Total Public Shareholding (B)= (B) (1)+(B) (2)	8179497	212108	8391605	55.05	8251997	104608	8356605	49.91	-5.14
C. Shares held by Custodian for GDRs & ADRs.									
Promoter and Promoter Group	0	0	0	0	0	0	0	0	
Public -	0	0	0	0	0	0	0	0	
Sub-total (C)	0	0	0	0	0	0	0	0	
Grand Total (A+B+C)	15031685	212108	15243793	100	15889185	854608	16743793	100	

Shareholding of Promoters

Sl. No.	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	DINESH PATIDAR	3521488	23.10	55.66	3521488	21.03	11.36	-2.07
2	SEEMA PATIDAR	94000	0.62	100.00	94000	0.56	100.00	-0.06
3	VINTEX TOOLS PRIVATE LIMITED	14500	0.10	0.00	37500	0.22	0.00	0.13
4	INDIRA PATIDAR	334000	2.19	50.90	334000	1.99	50.90	-0.20
5	PALLAVI PATIDAR	341800	2.24	53.25	341800	2.04	53.25	-0.20
6	AISHWARYA PATIDAR	385400	2.53	72.03	385400	2.30	72.03	-0.23
7	GEETA PATIDAR	610800	4.01	72.69	610800	3.65	72.69	-0.36
8	SUNIL PATIDAR	1550200	10.17	64.89	1562200	9.33	64.40	-0.84
9	ANKIT PATIDAR	0	0.00	0.00	750000	4.48	0.00	4.48
10	ANKIT PATIDAR	0	0.00	0.00	750000	4.48	0.00	4.48
	TOTAL	6852188	44.95	60.33	8387188	50.09	30.68	5.14

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

Sl. No.	Shareholder's Name	Name of Promoter's	As On Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	At the beginning of the year	VINTEX TOOLS PRIVATE LIMITED	4/1/2014	14500	0.10	14500	0.10
	Date wise Increase / Decrease in Promoters Share holding during the year		22/08/2014	5658	0.04	20158	0.13
			29/08/2014	15342	0.10	35500	0.23
			03/10/2014	2000	0.01	37500	0.23
	At the End of the year		31/03/2015	0	0.00	37500	0.22
2	At the beginning of the year	SUNIL PATIDAR	4/1/2014	1550200	10.17	1550200	10.17
	Date wise Increase / Decrease in Promoters Share holding during the year		12/09/2014	12000	0.08	1562200	9.77
	At the End of the year		31/03/2015	0	0.00	1562200	9.33
3	At the beginning of the year	SEEMA PATIDAR	4/1/2014	94000	0.62	94000	0.62
	Date wise Increase / Decrease in Promoters Share holding during the year		NIL	NIL			
	At the End of the year		31/03/2015	0	0.00	94000	0.56
4	At the beginning of the year	DINESH PATIDAR	4/1/2014	3521488	23.10	3521488	23.10
	Date wise Increase / Decrease in Promoters Share holding during the year		NIL	NIL			
	At the End of the year		31/03/2015	0	0.00	3521488	21.03
5	At the beginning of the year	INDIRA PATIDAR	4/1/2014	334000	2.19	334000	2.19
	Date wise Increase / Decrease in Promoters Share holding during the year		NIL	NIL			
	At the End of the year		31/03/2015	0	0.00	334000	1.99
6	At the beginning of the year	GEETA PATIDAR	4/1/2014	610800	4.01	610800	4.01
	Date wise Increase / Decrease in Promoters Share holding during the year		NIL	NIL			
	At the End of the year		31/03/2015	0	0.00	610800	3.65
7	At the beginning of the year	PALLAVI PATIDAR	4/1/2014	341800	2.24	341800	2.24
	Date wise Increase / Decrease in Promoters Share holding during the year		NIL	NIL			
	At the End of the year		31/03/2015	0	0.00	341800	2.04
8	At the beginning of the year	ANKIT PATIDAR	4/1/2014	0	0.00	0	0.00
	Date wise Increase / Decrease in Promoters Share holding during the year	Allotment	17/09/2014	750000	4.69	750000	4.69
		Demat	23/01/2015	-750000	4.69	0	0.00
		Allotment	3/30/2015	750000	4.48	750000	4.48
	At the End of the year		31/03/2015	0	0.00	750000	4.48
9	At the beginning of the year	ANKIT PATIDAR	4/1/2014	0	0.00	0	0.00
	Date wise Increase / Decrease in Promoters Share holding during the year		23/01/2015	750000	4.69	750000	4.69
	At the End of the year		31/03/2015	0	0.00	750000	4.48
10	At the beginning of the year	AISHWARYA PATIDAR	4/1/2014	385400	2.53	385400	2.53
	Date wise Increase / Decrease in Promoters Share holding during the year		NIL	NIL			
	At the End of the year		31/03/2015	0	0.00	385400	2.30

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

Sl. No.	For each of the Top 10 Shareholders	Folio No.	Name of Shareholder's	As on DATE	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
					No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	IN30045012908788	M L SECURITIES AND FINANCE PRIVATE LIMIT	01/04/14	1888142	12.39	1888142	12.39
	At the End of the year			31/03/2015	0	0.00	1837383	10.97
2	At the beginning of the year	IN30012611230248	GREEN INDIA VENTURE FUND	01/04/2014	1134556	7.44	1134556	7.44
	At the End of the year			31/03/2015	0	0.00	0	0.00
3	At the beginning of the year	IN30045013253815	RAJAL SECURITIES PRIVATE LIMITED	01/04/2014	463400	3.04	463400	3.04
	At the End of the year			31/03/2015	0	0.00	463400	2.77
4	At the beginning of the year	IN30045013253807	VINAY SECURITIES PRIVATE LIMITED	01/04/2014	363000	2.38	363000	2.38
	At the End of the year			31/03/2015	0	0.00	363000	2.17
5	At the beginning of the year	IN30045012971832	ROULEX INVESTMENT AND FINANCE PRIVATE LI	01/04/2014	136765	0.90	136765	0.90
	At the End of the year			31/03/2015	0	0.00	6711	0.04
6	At the beginning of the year	1204370000219261	SUBHASH PATIDAR	01/04/2014	126366	0.83	126366	0.83
				31/03/2015	0	0.00	0	0.00
7	At the beginning of the year	1205050000013578	ABLAZE INFOTECH PRIVATE LIMITED	01/04/2014	105600	0.69	105600	0.69
	At the End of the year			31/03/2015	0	0.00	105600	0.69
8	At the beginning of the year	IN30060110329459	RAMESH PATIDAR	01/04/2014	76848	0.50	76848	0.50
	At the End of the year			31/03/2015	0	0.00	76848	0.46
9	At the beginning of the year	IN30068510656671	SAMIR RAMESHCHANDRA PALOD	01/04/2014	72778	0.48	72778	0.48
	At the End of the year			31/03/2015	0	0.00	0	0.00
10	At the beginning of the year	1203000000162234	DILIP KUMAR RUNGTA	01/04/2014	50000	0.33	50000	0.33
	At the End of the year			31/03/2015	0	0.00	0	0.00

Shareholding of Directors and Key Managerial Personal

Sl. No.	Shareholder's Name	Name of Promoter's	As On Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	At the beginning of the year	RAMESH PATIDAR	01/04/2014	76848	0.46	76848	0.46
	Date wise Increase/Decrease in Shareholding during the financial year						
	At the End of the year		31/03/2015	0	0.00	76848	0.46
2	At the beginning of the year	DINESH PATIDAR	01/04/2014	3521488	23.10	3521488	21.03
	Date wise Increase/Decrease in Shareholding during the financial year						
	At the End of the year		31/03/2015	0	0.00	3521488	21.03
3	At the beginning of the year	SUNIL PATIDAR	4/1/2014	1550200	10.17	1550200	10.17
	Date wise Increase/Decrease in Shareholding during the financial year						
	At the End of the year		31/03/2015	0	0.00	1562200	9.33

Annexure 'IV' to Directors Report

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

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

(A) Conservation of energy

S.No.	Particulars	
1.	the steps taken or impact on conservation of energy;	Energy conservation dictates how efficiently a Company can conduct its operations. Our Company has recognized the importance of energy conservation in decreasing the deleterious effects of global warming and climate change. The Company has undertaken various energy efficient practices that has strengthened the Company's commitment towards becoming an environment friendly organization.
2.	the steps taken by the Company for utilizing alternate sources of energy;	Solar Photovoltaic system installed for internal consumption and Installation of DG set
	the capital investment on energy conservation equipments	₹0.20 crore

Technology absorption

(i)	the efforts made towards technology absorption	The Company has its own product engineering department having highly qualified engineers that helps create superior value by harnessing internal research and development skills and competencies and by innovating in emerging technology domain related to our products, new products, process and catalyst development to support existing business and create breakthrough technologies.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Day to day KAIZAN has reduced maintenance cost and improved production cycle
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year	No imported technology
	(a) the details of technology imported	-
	(b) the year of import	-
	(c) whether the technology been fully absorbed	-
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	-
(iv)	the expenditure incurred on Research and Development	₹1.70 crore

Foreign exchange earnings and Outgo

(i)	The Foreign Exchange earned in terms of actual inflows during the year;	₹101.64 crore
(ii)	and the Foreign Exchange outgo during the year in terms of actual outflows.	₹53.64 crore

Report on Corporate Governance 2014-15

Pursuant to Clause 49 of the Listing Agreement (Forming Part of the Board's Report)



1. Company's Philosophy on Corporate Governance:

The Company has adopted the code of Corporate Governance as a responsible corporate citizen and to serve all stake holders viz the employees share holders, customers, vendors and the society and thereby retaining and maximizing stake holders trust and value legally and ethically. The Company believes that doing business in a transparent, fair and ethical way will help the Company to achieve new heights in the long run.

The Company is in compliance with all the regulations stipulated by the Companies Act, 2013 and rules thereof and Clause 49 of the Listing Agreement.

2. Board of Directors:

The Board of Directors runs the Company on fair and ethical principles as it plays an important role in enhancing stakeholder's value. The Executive Directors are responsible for the day-to-day management of the Company subject to the supervision, direction and control of the Board of Directors.

A. Composition of Board:

The Board of Directors of the Company comprises an optimum combination of Executive and Non Executive Directors, as required under Clause 49 of the Listing Agreements entered into with the Stock

Exchanges. During the year ended March 31, 2015, the Board of Directors of the Company consisted of 9 (nine) Directors with an Executive Chairman, 5 (five) Independent Directors including one woman Director and 1 (one) Nominee Director appointed by AFHoldings. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities, productively and provide effective leadership to the Company.

As per the declarations received from the directors none of the directors is disqualified under Section 164(2) of the Companies Act 2013

B. Independent Directors:

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

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

None of the independent Directors are serving as independent directors in more than seven listed companies, nor are serving in more than three listed companies as whole time directors

The names, position and categories of directors, their attendance at the board meetings held

during the year and the last Annual General meeting and also the number of Director ships and committee positions held by them in other public limited companies are given below:-

Sl. No.	Name of Directors	Category of Directorship	No. of Board Meetings		Attendance at last AGM	No. of outside directorship in Public Limited held	No. of committee positions held in other public limited companies	
			Held	Attended			Member	Chairman
1	Mr. Dinesh Patidar	Executive	11	8	Yes	1	-	-
2	Mr. Sunil Patidar	Executive	11	11	Yes	1	-	-
3	Mr. Ramesh Patidar	Executive	11	8	Yes	-	-	-
4	Mr. Rajkumar Jain	Independent	11	10	No	-	-	-
5	Mr. S.S. Raghuvanshi	Independent	11	9	No	-	-	-
6	Mr. Navin S Patwa	Independent	11	8	Yes	2	-	-
7	Ms. Pooja Mahajan*	Nominee	11	0	No	-	-	-
8	Mr. Balmukund Sharma	Independent	5	4	No	-		
9	Mr. Sridhar Narayan**	Nominee director	04	1	no			
10	Mrs. Nishtha Neema ***	Woman Independent director	01	1	no	1	2	1

*Withdrawal as Nominee Director as IFCI Venture's nominee under Green India Venture Fund (GIVF) with effect from November 14, 2014

**Appointed as Nominee Director of AFHoldings nominee with effect from December 17, 2014

*** Appointed as woman independent Director w.e.f. March 28, 2015

Note:

For reckoning the other Directorship- Private Limited Companies, Foreign Companies and Sec 25(8) Companies have been excluded. For reckoning the Committee Memberships and Committee Chairmanships-Audit Committee and Shareholders/Investors Grievance Committee alone have been considered.

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

C. Board Meetings:

During the financial year ended March 31, 2015, eleven Board meetings were held on May 14, 2014; July 5, 2014; July 14, 2014, September 17, 2014; October 10 2014; November 4 2014, November 14,2014; December 17, 2014; January 20, 2015; March 3, 2015 and March 28, 2015

The necessary quorum was present for all the meetings.

D. Board Committees:

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

I. Audit Committee:

The terms of reference of Audit Committee. Audit committee is constituted according to the provisions of Clause 49(II) of the Listing Agreement entered in to with the stock exchanges read with Section 177 of the Companies Act, 2013.

The Company's audit committee consists of four Directors, of which three are non executive independent directors. All the members have adequate knowledge in the areas of finance and accounting. The Company secretary of the Company acts as the secretary to the audit committee

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

Terms of Reference:

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

- 1) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- 2) Considering and recommending the appointment, re-appointment of the Statutory Auditor and Cost Auditors, fixation of the audit fees and fees for any other services rendered by them and if required, the replacement or removal of the Auditors.

- 3) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to :
 - a) Matters required to be included in the directors responsibility statements to be included in the board's report in terms of clause c of subsection 3 of Section 134 of the Companies Act, 2013,
 - b) change if any in accounting policies and practices and reasons for the same,
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) significant adjustments made in the financial statements arising out of audit findings
 - e) compliance with listing and other legal requirements relating to financial statements
 - f) Disclosure of any related party transactions
 - g) Qualifications in the draft audit report
- 4) Reviewing with the management the quarterly financial statements before submission to the board for approval
- 5) Reviewing with the management the statement of uses / application of Funds raised through an issue (Public, Right, Preferential Issues). The Statements of funds utilized for purposes other than those stated in the offer document Notices/ Prospectus/ Notice and Report submitted by the Monitoring agency the utilization of proceeds of a public or right issue and making appropriate recommendations to the Board to take up steps in the matter.
- 6) Review and monitor the auditor's independence, performance and effectiveness of Audit Process.
- 7) Approval or any subsequent modification of transactions of the Company with related Parties.
- 8) Scrutiny of Inter corporate Loans and Investments.
- 9) Valuation of Undertakings or Assets of the Company where ever it is necessary.
- 10) Evaluation of Internal Financial Control and Risk Management
- 11) Reviewing with Management Performance of Statutory and

Internal auditor Adequacy of Internal Control Systems.

- 12) Reviewing the adequacy of Internal Audit Function, if any including the Structure of Internal Audit Department, Staffing and Seniority of the Official Heading of the Department, Reporting Structure Coverage and Frequency of Internal Audit.
- 13) Discussion with Internal Auditors of any Significant Findings and follow up thereon.
- 14) Reviewing the Findings of any Internal Investigations by the Internal Auditors into matters where there is suspected Fraud or Irregularity or failure of Internal Control Systems of a material Nature and reporting the matter to the Board.
- 15) Discussion with Statutory Auditor before the Audit Commences, about the nature and Scope of Audit as well as post Audit Discussion to ascertain any area of Concern.
- 16) To look into reasons for substantial defaults in the payment to the Depositors, Debenture Holders, Shareholders (In case of Non Payment of Declared Dividend) and Creditors.
- 17) To Review the functioning of the Whistle Blower Mechanism.
- 18) Approval of Appointment of CFO. After assessing the qualification experience and background etc of the candidate.
- 19) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The powers and role of the Audit committee is in accordance with the provisions of Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013 and includes oversight of the Company's financial process, reviewing the financial statements, review of significant related party transactions, adequacy of internal audit and look into such matters as mandated under the listing Agreement.

The Company has complied with the requirements of Clause 49 as regards the composition of the Audit Committee. The Audit Committee has 4 (Four) members. During the financial year ended March 31, 2015, 4 (Four) meeting of the Audit Committee were held on May 14, 2014; July 14, 2014; November 14, 2014 and 20 January, 2015

Sl. No.	Name	Category	Number of Meetings during the Year 2014-2015	
			Held	Attended
1	Mr. S. S. Raghuvanshi	Independent, Non-Executive	4	3
2	Mr. Dinesh Patidar	Executive	4	2
3	Mr Rajkumar Jain	Independent, Non-Executive	4	4
4	Mr. Navin S Patwa	Independent, Non-Executive	4	4

II. Nomination, and Remuneration Committee** (Formerly Remuneration Committee)

The Company has reconstituted the erstwhile Remuneration Committee as Nomination and Remuneration Committee, as per the requirement of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The nomination and Remuneration Committee comprises of 3 (Three) members namely Mr. S. S. Raghuvanshi, Mr. Rajkumar Jain, and Mr. Navin S Patwa, all are Independent Directors. During the financial year ended March 31, 2015, 4 (Four) meeting were held during the year i.e. 14 May 2014, 14 November 2014, 17 December 2014 and 28 March 2015 and the details are as follows :

Sl. No.	Name	Category	Number of Meetings during the Year 2014-2015	
			Held	Attended
1	Mr. S. S. Raghuvanshi	Independent Director	4	4
2	Mr. Rajkumar Jain	Independent Director	4	4
3	Mr. Navin Patwa	Independent Director	4	4

The terms of references of the Nomination and Remuneration Committee are:

- 1) Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a Policy, relating to the remuneration of the Directors, key Managerial Personnel and other employees.
- 2) Formulation or criteria for evaluation of Independent Directors of the Board.
- 3) Devising a Policy on Board diversity: and
- 4) Identifying Persons who are qualified to become directors and who may be appointed in Senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and shall carry out evaluation of every Directors Performance.
- 5) To formulate a Policy to ensure that
 - a). Remuneration Paid is reasonable and sufficient to attract retain and motivate Directors of the quality required to run the Company efficiently.
 - b) Deserving Personnel are adequately compensated as per clearly Stated Performance Benchmark of the Company.
 - c) Compensation to Directors Key Managerial Persons and Senior Management Involves an optimum Balance between Fixed and Variable pay reflecting short and long term performance objectives.
 - d) The Committee has formulated clear cut policy to evaluate the qualifications, positive, attributes, independence, of the key managerial personnel.

Details of Remuneration paid/ payable to the Directors during the Financial Year 2014-2015 are as follows :

Name	Category	Salary including employer's contribution to provident fund	Perquisites	Sitting fees in ₹
Mr. Dinesh Patidar	Executive	16800000	Nil	Nil
Mr. Sunil Patidar	Executive	1200000	104300	Nil
Mr. Ramesh Patidar	Executive	1,920000	1,19, 320	Nil
Mr. S. S. Raghuvanshi	Independent	Nil	Nil	1,80,000
Mr. Rajkumar Jain	Independent	Nil	Nil	Nil
Ms. Pooja Mahajan	Nominee	Nil	Nil	Nil
Mr. Navin S Patwa	Independent	Nil	Nil	1,60,000
Mr. Bal Mukund Sharma	Independent	Nil	Nil	80,000
Mr. Sridhar Narayan	Nominee	Nil	Nil	Nil
Mrs. Nishtha Neema	Independent	Nil	Nil	20,000

III. Stakeholder Relationship Committee:

The Company has constituted stakeholder Relationship Committee to look into the various complaints of the investors and to redress the same. The Committee will also look into the Share transfers, issue of duplicate Share Certificates, transmission and dematerialization of Equity Shares.

The Committee comprises of 4 (Four) members namely

Mr. Navin Patwa,
Mr. Suresh Patidar
Mr. B. R. Patidar
Mr. Akhilesh Maru.

During the financial year ended March 31, 2015, 1 (One) meeting was held on March 28, 2015 and all the members were present.

The terms of reference of Stakeholder Relationship Committee are as follows:-

- 1) Looks into the Share holders Complaints like Non Receipt of Dividend warrants, Non receipt of Annual reports, Transfer of Shares Issue of Duplicate Share Certificates, Approving Demat Request.
- 2) Oversee the Performance of Share Transfer Agent and recommend measures for overall improvement in the Investor Services.

IV. Separate Meeting of Independent Directors:

In accordance with the provisions of Schedule IV of the

Companies Act 2013, a separate meeting of the Independent Director was held on March 28, 2015. Without the attendance of Non Independent Directors and Members of the Management.

The following Independent Directors were present at the Meeting, namely Mr. Navin S Patwa, Mrs. Nishtha Neema, Mr. B. M. Sharma, Mr. S. S. Raghuvanshi and Mr. Rajkumar Jain.

- 1) The Meeting reviewed the performance of Non Independent Directors and the Board as a whole.
- 2) Reviewed the performance of the Chairman of The Company.
- 3) Assist the quantity and quality and timeliness of law of information between Company Management and the Board.

3. Corporate Social Responsibility Committee (CSR)

Terms of Reference

The Committee is formed with the object:-

- To frame and review the CSR Policy and to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- To implement and monitor the CSR activities undertaken by the Company.

CSR Committee Composition, Meetings held and Attendance:

Composition:

The CSR Committee is comprised of 4 (four) Directors out of which three are Independent Directors.

Meetings:

During the year the Committee met on 05th July, 2014

Name of the Committee Members along with their attendance is given below:

Name of Member	Designation	No. of meeting attended
Navin Patwa	Chairman	1
S. S. Raghuvanshi	Member	1
Rajkumar Jain	Member	1
Dinesh Patidar	member	1

Policy for Selection and Appointment of CEO & Managing Director and their Remuneration:

1. At the time of appointment or re-appointment of the Managing Director & CEO/ Whole Time Directors, such remuneration shall be paid as may be mutually agreed between the Company (which includes the Nomination and Remuneration Committee and the Board of Directors) and the Managing Director & CEO/ Whole Time Directors within the overall limits prescribed under the Companies Act, 2013.
2. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

General body meeting

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

Year	AGM/EGM	Date of AGM/EGM	Time	Venue
2012	AGM	September 28, 2012	10.00 A.M.	Plot No. 401, 402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.)
2013	AGM	September 27, 2013	10.00 A.M.	Plot No. 401, 402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.)
2014	AGM	July 31, 2014	11:00 A.M.	Plot No. 401, 402 & 413, Sector –III, Industrial Area, Pithampur Dist- Dhar (M.P.)
2014	EGM	January 9, 2014	10.00 A.M.	Plot No. 401, 402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.)
2014	EGM	October 20, 2014	11:00 A.M.	Plot No. 401, 402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.)

Special resolutions passed in the last three years General Meetings:

17th Annual General Meeting held on 28th September, 2012:

Nil.

18th Annual General Meeting held on 8th September, 2013:

Nil

19th Annual General Meeting held on 31th July, 2014

- To appoint Ms. Pooja Mahajan as a Nominee Director.
- To appoint Mr. Rajkumar Jain as an Independent Director to hold office till the 22nd Annual General Meeting to be held in 2017.
- To appoint Mr. S. S. Raghvanshi as an Independent director to hold office till the 22nd Annual General Meeting to be held in 2017.
- To appoint Mr. Navin S. Patwa as an Independent director to hold office till the 24th Annual General Meeting to be held in 2019.
- To Increase in the Remuneration of Mr. Dinesh Patidar Chairman cum Managing Director from ₹3,25,000/- to ₹14,00,000/- per month with effect from April 1, 2014 for the remaining period of his tenure expiring on January 29, 2016.
- To get consent of the Company to accord powers to the board of directors as required under Section 180(1)(a) and other applicable provisions, if any of the Companies Act 2013 to lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company by way of creation of security on the movable and/or immovable properties of the Company through mortgage hypothecation, pledge, assignment, etc
- To get consent of the Company to accord powers to the board of directors as required under Section 180(1)(c) and

other applicable provisions of the Companies Act 2013 to borrow from Banks and Financial Institutions any sum / sum of monies up to ₹500 crores, irrespective of it exceeds or not of the aggregate of the paid up capital and free reserves of the Company.

Extra ordinary general meeting held on January 9, 2014

- To get consent to the board to issue offer and allot up to 15,00,000 convertible equity warrants on preferential basis, convertible in to shares of the Company of a nominal value of ₹10/- each at a price to be determined as per the provisions the existing rules and regulations

Extra ordinary general meeting held on October 20 2014

- To increase the authorized capital of the Company 2,50,00,000 equity shares of 10 each to 40,00,00,000 equity shares of 10 each
- To get consent to the issue compulsory convertible preference shares of 15,00,000 to AFH Holdings of Mauritius at a nominal value of ₹100 each at a premium of ₹200/- each aggregating to ₹45,00,00,000/- convertible in to 16,36,363 equity shares of ₹10.00 each at a premium of ₹265/- each subject to the compliance of the existing rules and regulations of the Companies Act and SEBI ICDR Regulations

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

Subsidiary Companies

Sl. No.	
01	Shakti Pumps LLC USA Wholly Owned Subsidiary
02	Shakti Pumps FZE UAE Wholly Owned Subsidiary
03	Shakti Pumps PTY LTD. Wholly Owned Subsidiary Australia

Related party transactions

Sl. No.	Name of the Party	Nature of Transactions	Amount
01	Shakti Pumps LLC USA	Sale of Pump & Motors	79833097
02	Shakti Pumps FZE UAE	Sale of Pump & Motors	20579593
03	Shakti Pumps PTY LTD Australia	Sale of Pump & Motors	14917128
04	Shakti Irrigation India Limited	Purchase of Drip Irrigation Pipes	68157696
05	Vintex Tools Pvt Ltd	Purchase of Dies Sale Of Die Material	145517735 462207
06	Shakti Energy Solutions Pvt Ltd	Purchase of Solar Pumps Sale of Pumps and Motors	186665969 69318225

S. No.	Name of the Party	Nature of Transactions	Amount
07	Dinesh Patidar	Remuneration	16800000
08	Sunil Patidar	Remuneration Other Allowance	1200000 104300
09	Ramesh Patidar	Remuneration Other Allowance	1920000 119320

3. Disclosures:

A) Disclosures on materially significant related party transactions, Necessary disclosures are made in Note No. 25 of the Annual Report.

The Company does not have any materially significant related party transaction that may have potential conflict with the interests of the Company.

B) The Company has followed the Guidelines of Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable, in preparation of financial statements.

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

D) The Company has no material unlisted Indian subsidiary Company as defined in the Clause 49 of the Listing Agreement.

E) The Company has complied with the requirements of regulatory authorities on capital markets and no penalties/strictures were imposed against it during last three years.

F) The Company has obtained a certificate from its Statutory Auditor regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and annex the same with the Directors' Report.

G) A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share

capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

H) The Company has also undertaken Secretarial Audit for the financial year 2014-2015 which, inter alia, includes audit of compliance with Companies Act and Rules made under the Act, Listing Agreement and Regulations and Guidelines prescribed by the Securities and Exchange Board of India. The Secretarial Audit Report is annexed of this annual report.

I) Vigil Mechanism/ Whistle Blower Policy.

The Company has in place a Whistle Blower Policy for Directors and Employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of Company's code of conduct or ethical policy. The Policy ensures that strict confidentiality is maintained while dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

4. Follow-up measures against insider trading:

The Company properly advised and cautioned the management, staff and other relevant business associates on the procedure to be followed while dealing with the securities of the Company in the light the SEBI (Insider Trading Amendment Regulation, 2002 and the Code of conduct for dealing in Companies Securities accordance to SEBI (Prohibition of Insider Trading) Regulation 2015(New Regulation). The same has been displayed in the Company's website.

5. Means of Communications:

(i) Quarterly Results: The quarterly, financial results of the Company are published in Nationwide English daily

newspaper and regional Hindi daily newspaper and are displayed on the Company's website www.shaktipumps.com.

- (ii) News Releases, Presentations, etc.: Official news releases and Official Media Releases are sent to the Stock Exchanges.
- (iii) Website: the Company's website www.shaktipumps.com contains a separate dedicated section 'Financial' where shareholders information is available. The Annual Report is also available on the website in a user-friendly and downloadable form.
- (iv) Annual Report: Annual Report containing inter alia, Audited Annual Accounts, consolidated Financial Statements, Directors Report, Auditors' Report and other important information is circulated to members and others entitled thereto.
- (v) BSE Corporate Compliance & Listing Centre (the "Listing Center"): The Listing Center of BSE is a web based application designed by BSE for corporate. All periodically compliances filing like shareholding pattern, corporate governance report etc. are also filed electronically on the Listing Center.
- (vi) NSE Corporate Compliance & Listing Centre (the "Listing Center"): The Listing Center of NSE is a web based application designed by NSE for corporate. All periodically compliances filing like shareholding pattern, corporate governance report etc. are also filed electronically on the Listing Center NSE.
- (vii) SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralized web based complaints redress system.

6. General Shareholders Information:

Annual General Meeting to be held

(Day, date, time and venue)

Day	Saturday
Date	September 26, 2015
Time	11.30 A.M.
Venue	Plot No. 401, 402 & 413, Sector-III, Industrial Area, Pithampur, Dist.-Dhar (M.P.)

Financial calendar 2015-16

Financial Reporting for the Quarter ending 30th June 2015:	On or Before 15 AUGUST 2015
Financial Reporting for the Quarter ending 30th September 2015:	On or Before 15 NOVEMBER 2015
Financial Reporting for the Quarter ending 31st December 2015:	On Before 15 FEBRUARY 2016
Financial Reporting for the Quarter ending 31th March 2016:	On Before 30 MAY 2016

A dividend of 20% i.e. ₹2/- per Equity Share is recommended by the Board of Directors at their Meeting held on May 21, 2015 which is subject to the approval at the ensuing Annual General Meeting and if approved will be payable on or after September 26, 2015 but within the Statutory time limit of 30 days.

1) Book Closure Date:

From Saturday, 19/09/2015, to Saturday 26/09/2015, (both days inclusive) on account of AGM and Dividend.

Unclaimed Dividend

Pursuant to Section 205A of the Companies Act all unclaimed dividend up to 31/03/2007 have been transferred to the Investor Education and protection Fund

Investors are requested to encash their dividend warrants immediately on receipt as dividend remaining unclaimed for seven years are to be transferred to the investor Education and protection fund

Listing on the Stock Exchanges:

- (i) BSE Limited (BSE)
P.J. Towers, Dalal Street, Mumbai - 400001
- (ii) National Stock Exchange of India Limited (NSE)
"Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.
- (iii) Madhya Pradesh Stock Exchange Limited
201, Pallika Plaza, Indore - 452001

Trading on the Stock Exchange:

- (i) BSE Limited (BSE), P.J. Towers,
Dalal Street, Mumbai - 400001
- (ii) National Stock Exchange of India Limited (NSE)
"Exchange Plaza", Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 051.

Stock Code:

- (i) Bombay Stock Exchange Limited- 531431
- (ii) National Stock Exchange of India Ltd.- SHAKTIPUMP

Custodial fee:

The Company has paid the custodial fee to the NSDL and CDSL as per the SEBI circular cir/mrd/dp/05 2011 dated 27th april 2011 for the year 2014-15.

Corporate Identification Number (CIN) :

L29120MP1995PLC009327

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

Bombay Stock Exchange Limited (BSE)

Month	Highest	Lowest	Total No. of Shares traded
Apr 14	97.25	76.00	13,22,119
May 14	162.35	85.00	35,17,372
Jun 14	185.00	154.40	11,36,309
Jul 14	246.35	183.60	17,10,236
Aug 14	264.95	191.55	13,28,876
Sep 14	279.80	230.05	9,39,033
Oct 14	273.60	233.60	7,26,454
Nov 14	261.50	165.00	23,16,489
Dec 14	240.85	181.65	11,60,267
Jan 15	256.60	200.65	12,72,577
Feb 15	238.10	210.35	5,18,099
Mar 15	231.50	179.00	5,40,878

National Stock Exchange of India Ltd (NSE)

Month	Highest	Lowest	Total No. of Shares traded
Apr 14	96.80	75.70	3418508
May 14	162.35	86.00	7893533
Jun 14	187.30	155.10	2151587
Jul 14	246.40	184.00	3785395
Aug 14	265.00	190.45	3506982
Sep 14	279.70	230.00	2376076
Oct 14	273.60	231.10	1221277
Nov 14	262.50	168.00	4950011
Dec 14	240.70	180.70	2339835
Jan 15	257.00	199.55	3143619
Feb 15	239.00	209.00	984330
Mar 15	232.05	179.05	968046

Registrar and transfer agent:

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

Share transfer system:

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

Shareholding as on March 31, 2015

a. Distribution of Shareholding as on March 31, 2015

Range of equity shares held	No. of Shareholders	%	Number of Shares	Face Value per equity shares (in ₹)	% of share-holding
Up to-00500	9085	88.45	1064173	10641730	6.36
00501-01,000	548	5.34	444809	4448090	2.66
01,001-02,000	295	2.87	453151	4531510	2.71
02,001-03,000	90	0.88	228489	2284890	1.36
03,001-04,000	53	0.52	194222	1942220	1.16
04,001-05,000	41	0.40	193970	1939700	1.16
05,001-10,000	83	0.81	620608	6206080	3.71
10,000 and Above	76	0.74	13544371	135443710	80.89
Total	10271	100	16743793	167437930	100

b. Categories of Shareholding as on March 31, 2015

Sl. No.	Category	Number of shares holders	% of shareholders	No. of Shares	% of shareholding
1	Resident Individuals	9580	93.28	3662186	21.87
2	Non Resident Indians (Individuals)	183	1.78	269847	1.61
3	Corporate Bodies (Promoter)	1	0.01	37500	0.22
4	Corporate Bodies	385	3.75	3413475	20.39
5	Directors (Promoter)	2	0.02	5083688	30.36
6	Directors Relatives (Promoter)	6	0.06	3266000	19.51
7	Financial Institutions	2	0.02	1601	0.01
8	Clearing Member	107	1.05	57644	0.34
9	Mutual funds/uti	3	0.03	911852	5.45
10	Foreign financial institutions	1		40000	0.24
11	Total	10270	100	16743793	100

Dematerialization of Shares 31/03/2015

Sl. No.	Mode of Holding	No. of Shareholders	No. of Shares	% age
1	NSDL	6143	13465701	80.42
2	CDSL	4063	2423484	14.48
3	Physical	65	854608	5.10
4	Total	10271	16743793	100

94.89 % of the Company's Paid-up Equity Share Capital is dematerialized as on March 31, 2015. Trading in Equity Shares of the Company is permitted only in dematerialized form.

Compliance with Mandatory requirements and adoption of Non-Mandatory requirement of Clause 49 of the Listing Agreement:-

The Company has complied with all mandatory requirements as per Clause 49 of the Listing Agreement. Statutory auditors certificate to this effect has been included in this report

The Company has also adopted the following non mandatory requirements under Clause 49 of the Listing Agreement:

a) The internal auditors of the Company are directly reporting to the audit committee of the board

CEO/CFO Certification

Mr Dinesh Patidar, Managing Director and Mr Akhilesh Maru Chief Financial Officer of the Company has given CEO/CFO certificate as per the format given under Clause 49(ix) and the same has been noted by the board on the meeting held on 08/05/2015

Place: Indore
14/05/2015

Declaration-Code of Conduct

All Board Members and the Senior Management Personnel have, for the year ended March 31, 2015, affirmed compliance with the Code of Conduct as required by Clause 49 II E (2) of Listing Agreement entered into with the Stock Exchanges.

Date: May 21, 2015

Place: Pithampur

Dinesh Patidar

Chairman cum Managing Director

Certificate of Compliance with the Corporate Governance Requirements under Clause 49 of the Listing Agreement

To

The Members of

SHAKTI PUMPS (INDIA) LIMITED

We have examined the compliance of conditions of Corporate Governance by SHAKTI PUMPS (INDIA) LIMITED ("the Company"), for the year ended on March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Directors and the management, we certify that the Company has complied with the condition of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **Vinay Gandhi & Associates**

Chartered Accountants

FRN:014442C

Vinay Gandhi

(Proprietor)

M.No75972

Place: Pithampur

Date: May 14, 2015

Certification by Managing Director, Chief Financial Officer (CFO) Pursuant to Clause 49(IX) of the Listing Agreement

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

- a. We have reviewed financial statements and the cash flow statement for the financial year ended March, 31, 2015 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We hereby declare that all the members of the Board of Directors have confirmed compliance with the Code of Conduct as adopted by the Company.
- d. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- e. We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
 - i. significant changes, if any, in internal control over financial reporting during the year;
 - ii. significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

Yours faithfully

For Shakti Pumps (India) limited

For Shakti Pumps (India) Limited

Dinesh Patidar
Managing Director
DIN: 00549552

Akhilesh Maru
Chief Financial Officer

Financial Section

Independent Auditor's Report

To
The Members of
SHAKTI PUMPS (INDIA) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of SHAKTI PUMPS (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these standalone financial statements that give true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into accounts the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent available.
2. As required by section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. in our opinion proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;

- | | |
|--|--|
| <ul style="list-style-type: none"> c. the balance sheet, statement of profit and loss, and cash flow statement dealt with by this Report are in agreement with the books of account; d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014; e. on the basis of written representations received from the directors as on March 31, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of section 164(2) of the Act; and f. with respect to the other matters to be included in the Auditors 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: <ul style="list-style-type: none"> i) the Company does not have any pending | <ul style="list-style-type: none"> litigations which would impact its financial position; ii) the company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company. |
|--|--|

For Vinay Gandhi & Associates
Chartered Accountants
FRN: 014442C

Vinay Gandhi
(Proprietor)
M No. 75972

Place: Pithampur
Date: 21.05.2015

Annexure to the Auditor's Report

The Annexure referred to in our Independent Auditors Report to the members of the company on the standalone financial statements for the year ended 31 March 2015, we report that:

1. In respect of its fixed Assets:

- a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets in respect of all its locations on the basis of available information.
- b) As explained to us, all the fixed Assets have been physically verified during the year by the management in accordance with a regular programme of verification of the fixed assets at reasonable intervals which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such physical verification.

2. In respect of its inventories:

- a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year at reasonable interval. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification.

3. In respect of loans, secured or unsecured, granted by the company to companies, firms or other parties covered in the register maintained under section 189 of the Act:

- a) The company has granted loan to one body corporate covered in the register maintained under section 189 of the Act as follows:

Name of the Party	Max. Amount Outstanding During the Year	Balance as on 31.03.2015
Vintex Tools Pvt. Ltd	₹9,53,26,772/-	₹9,53,26,772/-

- b) In case of loan granted to the body corporate listed in the register maintained under section 189 of the Act, the borrower have been regular in the payment of the interest as stipulated. The terms do not stipulate any repayment schedule and the loans are repayable on demand.
- c) There are no overdue amounts of more than rupees one lakh in respect of the loan granted to the body corporate listed in the register maintained under section 189 of the Act.

4. In our opinion and according to the information and explanation given to us, there is an adequate Internal Control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the company, carried out in accordance with the auditing standards generally accepted in India and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

5. In our opinion and according to the information and explanation given to us, the company has not accepted deposits from the public during the year. Therefore, the provisions of clause (v) of paragraph 3 of the order is not applicable to the company.

6. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2014 prescribed by the Central Government under section 148 of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. In respect of statutory dues:

- a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Income Tax, VAT, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues as applicable with the appropriate authorities.

- b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of wealth tax, service tax, custom duty and cess which have not been deposited on account of any dispute. The particular of dues of excise duty, sales tax & income tax as at 31st March, 2015 which have not been deposited or partially been deposited on account of a dispute, are as below :

Name of the statute	Nature of dues	Amount (₹ In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise duty Including Interest and penalty	47.70	FY 2005-06	Appellate Tribunal, New Delhi
The Income Tax Act, 1961	Income Tax Demand including Interest	19.09	FY 2007-08	CIT – Appeal
	Income Tax Demand including Interest	20.83	FY 2008-09	CIT – Appeal
	Income Tax Demand including Interest	165.51	FY 2009-10	CIT – Appeal
	Income Tax Demand including Interest	50.00	FY 2010-11	CIT – Appeal
	Income Tax Demand including Interest	16.75	FY 2011-12	CIT – Appeal
Commercial Tax	VAT and Entry Tax demand	70.44	FY 2010-11	M.P. High Court, Indore Bench
	VAT and CST demand	6.16	FY 2010-11	M.P. Commercial Tax Appeal Board, Bhopal
	VAT and CST Tax demand	4.23	FY 2011-12	Add. Commissioner of Comm. Tax, Indore
	VAT, CST and Entry Tax demand	12.46	FY 2012-13	Appellate Authority, Commercial Tax, Indore

- c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund time to time.
8. The company does not have accumulated losses as at March 31, 2015. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
9. According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holder.
10. According to the information and explanation given to us, the company has given guarantee to the tune of ₹9.62 Crores for loans taken by Shakti Irrigation India Limited from banks during the year for setting up micro irrigation plant.
11. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purpose for which they were obtained.
12. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no material instance of fraud on or by the company noticed or reported during the year.

For Vinay Gandhi & Associates
Chartered Accountants
FRN: 014442C

Vinay Gandhi
(Proprietor)
M No. 75972

Place: Pithampur
Date: 21.05.2015

Significant Accounting Policies & Notes

A. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, on the basis of going concern assumption in accordance with Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

B. Use of Estimates

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

C. Fixed Assets

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

Projects under which assets are not ready for their intended use are disclosed under Capital Work in Progress.

D. Depreciation

Depreciation has been charged on fixed assets on Straight-Line Method basis. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Further 100% depreciation has been charged on assets valued up to ₹5000/- per item.

E. Foreign Currency Transaction

(a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of transaction.

(b) Monetary items denominated in foreign currencies at the year-end are restated at the year-end rates.

(c) Non-Monetary foreign currencies Items are carried at cost.

(d) Any income or expense on account of exchange differences either on settlement or on translation is recognized in the profit & loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

F. Investments

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

G. Inventories

Item of Inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. The cost of work in progress and finished goods is determined on absorption cost price which comprises of cost of purchase, cost of conversion, and other manufacturing overheads incurred in bringing them to their respective present location and condition.

H. Revenue Recognition

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

I. Excise duty/CENVAT

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

J. Employee Benefits

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

Significant Accounting Policies & Notes

- (b) Defined benefit plans: The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the payment of Gratuity Act or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.
- (c) Defined contribution plans: Company's contribution to Provident Fund, ESIC scheme for the year is charged to Profit and Loss account. Retirement benefit, medical reimbursement and leave payments to employees are accounted for on cash basis.

K. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit & Loss account.

L. Provision for Current & Deferred Tax

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

M. Provisions, Contingent Liabilities & Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognize but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

N. Segment Reporting

The Company is mainly engaged in the business of manufacturing various types of Pump & Motors. Considering the nature of business & financial reporting of the Company, the company has only one segment as reportable segment. The Company operates in Local & Export Segments Geographically. The sales for both are separately given, but due to the nature of business the assets/liabilities and expenses for these activities cannot be bifurcated separately.

O. Share Warrant

During the year the Company had received the balance share warrant money and then converted all 15,00,000 (Fifteen Lacs) outstanding Equity Share warrants into equivalent number of equity shares of ₹10/- each. Premium received on conversion have been transferred to securities premium account.

Balance Sheet as at 31st March, 2015

(Amount in ₹)

Particulars	Note No.	As at 31st March, 2015		As at 31st March, 2014	
1	2	3		4	
I. EQUITY AND LIABILITIES					
1 Shareholders' Funds					
Share Capital	1	317437930		152437930	
Reserves and Surplus	2	1776719166		1176147147	
Share Warrant Money		0		30000000	
			2094157096		1358585077
2 Non-Current Liabilities					
Long-Term Borrowings	3	165776012		269943582	
Deferred Tax Liability (Net)	4	62554618		57514414	
			228330630		327457996
3 Current Liabilities					
Short-Term Borrowings	5	704250101		688271719	
Trade Payables	6	265414453		268145770	
Other Current Liabilities	7	238388831		303769504	
Short-Term Provisions	8	187469500		159048475	
			1395522886		1419235468
			3718010612		3105278541
II. ASSETS					
1 Non-current assets					
Fixed Assets					
(i) Tangible Assets	9	1059722118		895784279	
(ii) Capital Work-In-Progress		46100937		15429770	
Non-Current Investments	10	6271044		5540056	
Long-Term Loans and Advances	11	102485600		188717535	
Other Non-Current Assets	12	198344036		169972697	
			1412923734		1275444337
2 Current assets					
Inventories	13	824222045		633116740	
Trade Receivables	14	1165493487		936279028	
Cash and Bank Balances	15	65760680		65935206	
Short-Term Loans and Advances	16	249610666		194503229	
			2305086878		1829834204
			3718010612		3105278541
Significant Accounting Policies					
Notes on Financial Statements	1 to 27				

As per our Report of even date

For Vinay Gandhi & Associates
Chartered Accountants
FRN : 014442C

For and on Behalf of the Board

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

R. Shadananan
(Company Secretary)

Dinesh Patidar
(Chairman and Managing Director)

Ramesh Patidar
(Executive Director)

Place : Pithampur
Date : 21.05.2015

Statement of Profit & Loss for the year ended 31st March, 2015

(Amount in ₹)

Particulars	Note No.	For the year ended 31st March, 2015	For the year ended 31st March, 2014
1	2	3	4
I INCOME			
Revenue From Operations			
Sales of Products	17	3043435489	3014612444
Less : Excise Duty Recovered		(58204129)	(49089158)
Net Sales		2985231361	2965523286
Other Income	18	114519399	101894226
Total Revenue		3099750760	3067417512
II EXPENDITURE			
Cost of Materials Consumed	19	1476081057	1290310810
Changes in Inventories of Finished Goods,	20	(108615389)	17202091
Stock-in-Progress and Stock-in-Trade			
Employee Benefits Expense	21	346678053	254669247
Finance Costs	22	131664834	125861398
Depreciation and Amortization Expense	9	98236097	67671910
Other Expenses	23	805458647	954714528
Total Expenses		2749503299	2710429983
III Profit Before Tax		350247461	356987529
IV Tax expense:			
Current Tax		88004592	84840864
Deferred Tax		5040204	12218329
MAT Credit Entitlement		-	(5206064)
V Profit After Tax For The Year		257202666	265134400
VI Earning per equity share of Face Value of ₹10/- Each			
Basic		16.43	17.39
Diluted		13.99	15.83
Significant Accounting Policies			
Notes to the Financial Statements	1 to 27		

As per our Report of even date

For Vinay Gandhi & Associates

Chartered Accountants

FRN : 014442C

For and on Behalf of the Board

Vinay Gandhi

(Proprietor)

(M.No.75972)

R. Shadananan

(Company Secretary)

Dinesh Patidar

(Chairman and Managing Director)

Ramesh Patidar

(Executive Director)

Place : Pithampur

Date : 21.05.2015

Cash Flow Statement for the year 31st March, 2015

(Amount in ₹)

Particulars	2014-15	2013-14
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit After Tax As Per Profit & Loss Account	257202666	265134400
Adjusted For :		
Depreciation Exp.	98236097	67671910
Mics.Exp. Written off.	2366535	2366535
Interest Income	(20861902)	(20139848)
Interest Paid	111460381	101987396
Loss on Sale of Fixed Assets	-	36059
Profit on Sale of Fixed Assets	-	(58670)
Deferred expenditure not included above	(30737873)	(111142807)
MAT Credit	-	(5206064)
Deffered Tax	5040204	12218329
Income Tax Short Provision of Previous Year	(6709545)	-
CSR Expenditure	(4806127)	-
	153987769	47732841
Operating Profit Before Working Capital Changes	411190435	312867240
Adjusted For :		
(Increase)/Decrease in Trade & Other Receivables	(229214458)	(295060299)
(Increase)/Decrease in Inventories	(191105305)	25296501
Increase/(Decrease) in Trade Payables	(2731316)	58379291
Increase/(Decrease) in Other Current Liabilities & Provisions	(31245792)	77648037
	(454296872)	(133736470)
Net Cash Flow From Operating Activities (A)	(43106437)	179130770
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(294784864)	(177323886)
Sale of Fixed Assets	1939762	2041925
Purchase of Investments	(730988)	-
Interest Received	20861902	20139848
Deposits	(13967809)	(8778934)
Movement in Loan & Advances	31124496	(125264687)
Net Cash Used in Investing Activities (B)	(255557501)	(289185735)

Cash Flow Statement for the year 31st March, 2015

(Amount in ₹)

Particulars	2014-15		2013-14	
C CASH FLOW FROM FINANCING ACTIVITIES				
Long Term Borrowings (NET)	(124327451)		142013469	
Short Term Borrowings (NET)	15978382		71002985	
Dividend Paid (Inc. DDT)	(35668951)		(17716717)	
Interest on Term Loans & Others Paid	(111460381)		(101987396)	
Proceeds From Issue of Equity Shares\Share Warrants (Including Premium)	90000000		30000000	
Proceeds From Issue of CCPS (Including Premium)	450000000		-	
Net Cash Used in Financing Activities (C)		284521599		123312341
Net Change in Cash & Cash Equivalents (A + B + C)		(14142338)		13257376
Cash & Cash Equivalents at the beginning of the year		19427175		6169799
Cash & Cash Equivalents at the end of the year		5284837		19427175

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

As per our Report of even date

For Vinay Gandhi & Associates
Chartered Accountants
FRN : 014442C

For and on Behalf of the Board

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

R. Shadananan
(Company Secretary)

Dinesh Patidar
(Chairman and Managing Director)

Ramesh Patidar
(Executive Director)

Place : Pithampur
Date : 21.05.2015

Notes on Financial Statements for the year ended 31st March, 2015

The previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.

1. SHARE CAPITAL

(Amount in ₹)

	As at 31st March, 2015	As at 31st March, 2014
Authorised Share Capital :		
25000000 Equity Shares of ₹10 each (Previous year 25000000 shares of ₹10 each)	250000000	250000000
1500000 15 % Compulsory Convertible Preference Shares of ₹100/- each (Previous Year NIL)	150000000	-
Issued & Subscribed Capital		
16923993 Equity Shares of ₹10 each (Previous year 15423993 shares of ₹10 each)	169239930	154239930
1500000 15 % Compulsory Convertible Preference Shares of ₹100/- each (Previous Year NIL)	150000000	-
Paid Up Capital		
16743793 Equity Shares of ₹10 each (Previous year 15243793 shares of ₹10 each)	167437930	152437930
1500000 15 % Compulsory Convertible Preference Shares of ₹100/- each (Previous Year NIL)	150000000	-
TOTAL	317437930	152437930

1.1 Reconciliation of shares outstanding at the beginning and at the end of the year

Equity Shares			
At the beginning of the year		15243793	15243793
Issued during the year		1500000	-
Outstanding at the end of the year		16743793	15243793

1.2 180200 Shares out of Issued Share are forfeited by the company which has not been reissued.

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

Name of the Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	% held	No. of Shares	% held
Dinesh Patidar	3521488	21.03%	3521488	23.10%
Ankit Patidar	1500000	8.96%	-	-
Green India Venture Fund	-	-	1134556	7.44%
Sunil Patidar	1562200	9.33%	1550200	10.17%
M.L.Securities & Finance Pvt.Ltd	1837383	10.97%	1888142	12.39%

2. RESERVES & SURPLUS

(Amount in ₹)

	As at 31st March, 2015	As at 31st March, 2014
Capital Reserve		
As per Last Balance Sheet	2057800	2057800
	2057800	2057800
Securities Premium Reserve		
As per Last Balance Sheet	341145471	341145471
Add: Received During the year		
Premium on Equity Shares	105000000	-
Premium on CCPS	300000000	-
	746145471	341145471

Notes on Financial Statements for the year ended 31st March, 2015

2. RESERVES & SURPLUS (contd.)

(Amount in ₹)

	As at 31st March, 2015		As at 31st March, 2014	
General Reserve				
As per Last Balance Sheet	832943876		605101398	
Add: Transferred from Profit & Loss Account	195572019		227842477	
		1028515895		832943876
Profit & Loss Account				
As Per Last Balance Sheet	-		-	
Add: Profit for the Year	257202666		265134400	
Less: Appropriations/Adjustments				
Proposed Dividend	(33487586)		(30487586)	
Dividend on CCPS	(8445205)		-	
Dividend Tax	(8385864)		(5181365)	
CSR Expenditure	(4806127)		-	
Excess Provision for Income Tax FY 2012-13	-		52469	
Income Tax Related to Earlier Year	-		(1675440)	
Creditors Written off During IT AY 2012-2013	203680		-	
Short Provision of Income Tax for AY 2014-15	(6709545)		-	
Transferred to General Reserve	(195572019)		(227842477)	
		-		-
TOTAL		1776719166		1176147147

3. LONG TERM BORROWINGS

SECURED				
Term Loan				
From Banks				
Rupee Loan	-		171413697	
Foreign Currency Loan	103838723		-	
		103838723		171413697
External Commercial borrowing				
From Banks				
Foreign Currency Loan	58687500		93344531	
		58687500		93344531
Vehicle Loan	3249790		5185354	
		3249790		5185354
TOTAL		165776012		269943582

3.1 Current Maturities of Long Term Debt (See Note 7)

Term Loan				
From Banks- Rupee Loan		60858305		121812000
From Banks- Foreign Currency Term Loan		26800000		-
External Commercial Borrowing		58668750		49767188
Vehicle Loan		5092252		-
		151419307		171579188

3.2 Borrowings from banks and ECB are secured by way of :-

Primary - All the current assets of the company situated at Plot No. 1 Ssector A, Pithampur Distt. Dhar, M.P., Plot No. F-14 & 15, Phase-I, Sector III SEZ, Pithampur and Plot No. 401,402 & 413, Sector III, Industrial Estate, Pithampur and Plot No.400 & 412A, Ssector III, Industrial Estate, Pithampur, Dist. Dhar, M.P.

Collateral-All the fixed assets of the company situated at Plot No. 1 Ssector A, Pithampur Distt. Dhar, M.P., Plot No. F-14 & 15, Phase-I, Sector III SEZ, Pithampur and Plot No. 401, 402 & 413, Sector III, Industrial Estate, Pithampur and Plot No.400 & 412A, Ssector III, Industrial Estate, Pithampur, Dist. Dhar, M.P.

3.3 Vehicle Loans are secured by respective vehicles.

Notes on Financial Statements for the year ended 31st March, 2015

4. DEFERRED TAX LIABILITY (Net)

(Amount in ₹)

	As at 31st March, 2015	As at 31st March, 2014
Deferred Tax Liability	62554618	57514414
TOTAL (NET)	62554618	57514414

5. SHORT TERM BORROWINGS

SECURED				
Working Capital Loans				
From Banks				
Rupee Loan	174553782		307480207	
Foreign Currency Loan	123332625		-	
		297886407		307480207
Packing Credit Limit	406363694		380791512	
		406363694		380791512
TOTAL		704250101		688271719

5.1 Working Capital loans and packing credit are secured as below :

Primary - All the current assets of the company situated at Plot No. 1 Ssector A, Pithampur Distt. Dhar, M.P., Plot No. F-14 & 15, Phase-I, Sector III SEZ, Pithampur and Plot No. 401, 402 & 413, Sector III, Industrial Estate, Pithampur and Plot No.400 & 412A, Sector III, Industrial Estate, Pithampur, Dist. Dhar, M.P.

Collateral - All the fixed assets of the company situated at Plot No. 1 Ssector A, Pithampur Distt. Dhar, M.P., Plot No. F-14 & 15, Phase-I, Sector III SEZ, Pithampur and Plot No. 401, 402 & 413, Sector III, Industrial Estate, Pithampur and Plot No.400 & 412A, Sector III, Industrial Estate, Pithampur, Dist. Dhar, M.P.

5.2 Personal Guarantee of Directors & Others.

6. TRADE PAYABLES

Creditors for Raw Material		265414453		268145770
TOTAL		265414453		268145770

7. OTHER CURRENT LIABILITIES

Current Liabilities of Long Term Debt (Refer Note 3)		151419307		171579188
Creditors for Capital Expenditure		48525642		42568440
Creditors for service & others		12820536		66873903
Unclaimed Dividend		1592486		1441367
Advance from Customers		12255621		9827865
Statutory Payable		8397238		7134484
Expenses Payable		3378001		4344257
		238388831		303769504

8. SHORT TERM PROVISIONS

Provision for Employee Benefits		49146253		38538660
Others				
Proposed Dividend	33487586		30487586	
Dividend on CCPS	8445205		-	
Tax on Dividend	8385864		5181365	
Provision for Income Tax	88004592		84840864	
		138323247		120509815
TOTAL		187469500		159048475

Notes on Financial Statements for the year ended 31st March, 2015

9. FIXED ASSETS

9. FIXED ASSETS														(Amount in ₹)
Sl	Description	Gross Block as on 01.04.2014	Less than 6 Month	Morethan 6 Month	Addition	Deletion	Total	Gross Block as on 31.03.2015	Depreciation For the year	Depreciation up to 31.03.2014	Deletion	Adjustment/ Scrap During the year	Total	Net Block as on 31.03.2015
1	Computers	30160749	2113372	2785767	4899139	25334	35034554	35034554	4233391	14543516	573		18776334	16258220
2	Equipments	17069932	3209099	3661579	6870678	131557	23809054	23809054	1971290	4992026	342		6962974	16846079
3	Office Buildings	31279238	0	0	0		31279238	31279238	494212	1040021			1534232	29745005
4	Factory Buildings	184467137	7063993	2723628	9787621		194254758	194254758	5915847	25077891			30993739	163261020
5	Furniture	30649005	4314493	3772019	8086512		38735516	38735516	3245362	10530810			13776172	24959344
6	Land	17838087			0		17838087	17838087		0			0	17838087
7	Plant & Machinery	525768382	57752869	13002189	70755058	1992757	594530683	594530683	34147123	110924559	378,914		144692768	449837915
8	Tools	371156826	142598446	13702344	156300789	173779	527283836	527283836	46741766	155427217	3836		202165147	325118689
9	Vehicles	11788122	4106500	3307400	7413900		19202022	19202022	1487105	1857159			3344264	15857758
	Total	1220177478	221158772	42954925	264113697	2323427	1481967749	1481967749	98236097	324393199	383665	0	422245631	1059722118
10	Capital W.I.P	15429770	22879721	7791447	30671168		46100937	46100937	0	0	0		0	46100937
	Total	1235607248	244038492	50746372	294784864	2323427	1528068686	1528068686	98236097	324393199	383665	0	422245631	1105823055

Notes on Financial Statements for the year ended 31st March, 2015

10. NON CURRENT INVESTMENTS

(Amount in ₹)

	As at 31st March, 2015		As at 31st March, 2014	
Non-Trade Investments				
In Equity Shares of Subsidiaries				
Unquoted Fully Paid Up				
1 Shares of Shakti Pumps FZE, Sharjah UAE of AED 150000 each	2206115		2206115	
65000 Shares of Shakti Pumps USA LLC, USA of USD 1 each	3331941		3331941	
15000 Shares of Shakti Pumps Pty Ltd., Australia of AUD-1 each	730988	6269044	-	5538056
In Equity shares of Others				
Unquoted Fully Paid Up				
Cosmos Bank	2000		2000	
		2000		2000
TOTAL		6271044		5540056

11. LONG TERM LOANS & ADVANCES

(Unsecured & Considered Good)				
Advance for Capital Goods		7158828		15258736
Loan to Related Parties		95326772		173458798
TOTAL		102485600		188717534.9

12. OTHER NON-CURRENT ASSETS

Miscellaneous Expenditure		173814854		161756688
Trade Receivables (More than 365 Days) (to the extent not written off or adjusted)		24529182		8216009
TOTAL		198344036		169972697

13. INVENTORIES

Raw Material		367311312		284821396
Work In Process		253550060		189671604
Finished Goods		203360672		158623739
TOTAL		824222045		633116740

14. TRADE RECEIVABLES

(Unsecured & Considered good)				
Over Six Months		463068422		134766954
Others		702425065		801512074
TOTAL		1165493487		936279028

15. CASH & BANK BALANCES

Balances with Banks		4163736		18145564
Cash Balance		1121101		1281608
Fixed Deposits With Bank		60475843		46508034
TOTAL		65760680		65935206

15.1 Balance with Banks includes Unclaimed Dividend of ₹1592486/- (Previous year ₹1445392/-)

Notes on Financial Statements for the year ended 31st March, 2015

16. SHORT TERM LOAN & ADVANCES

(Amount in ₹)

	As at 31st March, 2015	As at 31st March, 2014
Balances With Statutory authorities	59178008	88257320
Advance Income Tax	48500000	41000000
Advance for Salary & tour	6018284	3980628
Prepaid Expenses	10448739	5368803
Deposits	28878760	12770654
Other Short Term Loan & Advances	96586875	43125826
TOTAL	249610666	194503229

17. REVENUE FROM OPERATION

(Amount in ₹)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Sales of Finished Products	3043435489	3014612444
TOTAL	3043435489	3014612444

17.1 Detail of Sales

Sale of Products		
Domestic	1479095409	939467298
Export	1564340080	2075145145
TOTAL	3043435489	3014612444

18. OTHER INCOME

Interest Income	20861902	20139848
Other Operating Income	93657497	81754378
TOTAL	114519399	101894226

19. COST OF MATERIAL CONSUMED

Opening Stock of Raw Material	284821396	292915806
Add: Purchase of Raw Material	1558570973	1282216400
	1843392369	1575132206
Less: Closing Stock of Raw Material	367311312	284821396
TOTAL	1476081057	1290310810

19.1 Value of Raw Material Consumed

	Amount (In ₹)	% of Consumption	Amount (In ₹)	% of Consumption
Imported	484173463	32.80	393591184	30.50
Indegenous	991907594	67.20	896719626	69.50
	1476081057	100.00	1290310810	100.00

Notes on Financial Statements for the year ended 31st March, 2015

20. CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS

(Amount in ₹)

	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
Inventories (at Close)				
Finished Goods/Stock in Trade	203360672		158623739	
Stock In Process	253550060		189671604	
		456910732		348295343
Inventories (at Commencement)				
Finished Goods/Stock in Trade	158623739		129032185	
Stock In Process	189671604		236465249	
		348295343		365497434
TOTAL		108615389		(17202091)

21. EMPLOYEE BENEFIT EXPENSES

Salaries & Wages (Including Bonus)		319097413		233683691
Contribution to Provident & Other Funds		9872747		6063718
Staff Welfare Expenses		17707893		14921838
TOTAL		346678053		254669247

22. FINANCE COST

Interest to Bank		110223543		101117691
Interest to Other		1236838		869705
Bank Charges		20204453		23874003
TOTAL		131664834		125861398

23. OTHER EXPENSES

MANUFACTURING EXPENSES				
Power & Fuel	20335850		19243565	
Job Work Expenses	25948345		28149938	
Entry Tax	2421436		1921131	
Freight Charges	24217813		12170828	
Other Manufacturing Exp.	24754998		26067531	
		97678443		87552993
ADMINISTRATIVE EXPENSES				
Directors Remuneration	20143620		7317250	
Telephone Expenses	6836573		4954906	
Conveyance Expenses	20120835		15467536	
Consultancy Charges	4463111		4443106	
Other Office Exp.	10904458		5853856	
		62468597		38036654
SELLING & DISTRIBUTION EXPENSES				
Clearing & Forwarding Charges	6035348		3848796	
Office & Godown Rent	4140960		6242059	
Travelling Expenses	74699184		51970992	
Advertising Exp.	109200356		75760787	
Market Development Exp.	49442359		72166398	
Exhibition and Promotional Exp.	4619126		5767159	

Notes on Financial Statements for the year ended 31st March, 2015

23. OTHER EXPENSES

(Amount in ₹)

	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
Transportation Charges	52719642		9717187	
ECGC Premium	5151430		9219887	
Other Expenses	315034786		573907083	
		621043190		808600348
OTHER EXPENSES				
Legal & Professional Exp.	8757738		4563820	
Payment to Auditors	300000		300000	
Repair & Maintenance	3777211		5506881	
Taxes & Duties	7729187		3402566	
Other Exp.	1337746		4384730	
		21901882		18157998
MISC. EXP. WRITTEN OFF		2366535		2366535
TOTAL		805458647		954714528

23.1 Payment To Auditors As

(a) Auditor		130000		130000
(b) For Taxation Matters		110000		110000
(c) For Other Services		60000		60000
		300000		300000

24. ADDITIONAL INFORMATION

24.1 Value of Imports on CIF Basis in Respect of

Raw Material		511231210		391122098
Capital Goods		6259178		33679811
		517490388		424801909

24.2 Expenditure in Foreign Currency

Exhibition & Promotional Exp.		3730185		6325426
Travelling Exp.		23029074		23928431
Advertisement Exp.		1026012		4636859
		27785271		34890716

24.3 Earning in Foreign Currency

FOB Value of Exports		1327867834		1543159873
		1327867834		1543159873

Notes on Financial Statements for the year ended 31st March, 2015

25. RELATED PARTY DISCLOSURES

(i) List of Related Parties

S.No	Name of Related Party	Relationship
1	Shakti Pumps LLC, USA	Wholly Owned Subsidiary Companies
2	Shakti Pumps FZE, UAE	
3	Shakti Pumps Pty Ltd. Australia	
4	Shakti Irrigation India Limited	Enterprise over Which Key management are able to exercise significant influence
5	Vintex Tools Pvt. Ltd	Enterprise over Which Relative of Key management are able to exercise significant influence
6	Shakti Energy Solutions Pvt. Ltd	Enterprise over Which Relative of Key management are able to exercise significant influence
7	Dinesh Patidar	Key Managarial Personnel
8	Sunil Patidar	
9	Ramesh Patidar	

(ii) Transaction during the year with related parties.

S.No	Name of Party	Nature of Transaction	Amount in ₹
1	Shakti Pumps LLC, USA	Sale of Pump & Motors	79833097
2	Shakti Pumps FZE, UAE	Sale of Pump & Motors	205739593
3	Shakti Pumps Pty Ltd. Australia	Sale of Pump & Motors	14917128
4	Shakti Irrigation India Limited	Purchase of Components	68157696
		Purchase of Drip Irrigation Pipes	2051950
5	Vintex Tools Pvt. Ltd	Purchase of Dies	145537735
		Sale of Die Material	462207
6	Shakti Energy Solutions Pvt. Ltd.	Purchase of Solar Pumps	186665969
		Sale of Pumps & Motors	69318225
7	Dinesh Patidar	Remuneration	16800000
8	Sunil Patidar	Remuneration	1200000
		Other Allowances	104300
9	Ramesh Patidar	Remuneration	1920000
		Other Allowances	119320

(iii) Balances as at 31.03.2015

S.No	Nature	Name of Party	Amount in ₹
1	Investments	Shakti Pumps USA LLC	3331941
		Shakti Pumps FZE, UAE	2206115
		Shakti Pumps Pty Ltd. Australia	730988
2	Trade Receivables	Shakti Pumps USA LLC	89828500
		Shakti Pumps FZE, UAE	246158575
		Vintex Tools Pvt. Ltd	462207
		Shakti Irrigation India Limited	4893582
3	Trade Payables	Vintex Tools Pvt. Ltd	37165817
		Shakti Irrigation India Limited	19916138
4	Loan & Advances	Vintex Tools Pvt. Ltd	95326772

Notes on Financial Statements for the year ended 31st March, 2015

26. FINANCIAL & DERIVATIVE INSTRUMENTS

a) Derivative Contract entered into by the company for hedging foreign currency related risks :

The Company has converted the term loan into Foreign currency term loan and in order to hedge foreign currency related risk the company has entered into currency swap contract and forward rate contracts. Nominal amount of derivative contracts entered into by the company and outstanding as on 31.03.2015 is detailed below :

S.No	Particulars	Amount in ₹
1	Forward Contract	189508660
2	Currency Swap	73333333
	Total	262841993

b) Foreign Currency exposures that are not hedged by derivative instruments as on 31.03.2015 are as follows :

Nature of Transaction	External Commercial Borrowing
Currency	USD
Balance in Foreign Currency	18750000
Balance in ₹	117356250

27. CONTINGENT LIABILITIES AND COMMITMENTS

S.No	Particulars	Amount in Lakhs as at 31.03.2015
1	Bank Guarantee Outstanding	386.14
2	Unexpired Letter of Credit	1724.45
3	Excise Demand Under Dispute	47.70
4	Commercial Tax Demand under Dispute	93.29
5	Income Tax Demand Under Dispute	272.18

As per our Report of even date

For Vinay Gandhi & Associates
Chartered Accountants
FRN : 014442C

For and on Behalf of the Board

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

R. Shadananan
(Company Secretary)

Dinesh Patidar
(Chairman and Managing Director)

Ramesh Patidar
(Executive Director)

Place : Pithampur
Date : 21.05.2015

Auditor's Report on Consolidated Financial Statements

To
The Board of Directors,
SHAKTI PUMPS (INDIA) LIMITED

Report on the Consolidated Financial Statements

We have audited the attached Consolidated Financial Statements of M/S. SHAKTI PUMPS (INDIA) LIMITED (the company) and its subsidiaries (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit & Loss Statement and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 the appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the group as at 31 March 2015 and its consolidated profit and its consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of subsidiaries. These financial statements & other information have been audited by other Auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

Our Opinion is not qualified in respect of other matters.

For Vinay Gandhi & Associates
Chartered Accountants
FRN: 014442C

Vinay Gandhi
(Proprietor)
M No. 75972

Place : Pithampur
Date : 21.05.2015

Significant Accounting Policies and Notes on Consolidated Accounts

A. Principles of Consolidation

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

S.No	Name of the Subsidiary Company	Country of Incorporation	% of Shareholding	Currency
1	Shakti Pumps USA LLC	USA	100	USD
2	Shakti Pumps FZE	UAE	100	AED
3	Shakti Pumps Pty Ltd	Australia	100	AUD

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

- The Financial Statements of the company and its subsidiary companies are combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income & expenses, after fully eliminating intra -group balances and intra-group transactions in accordance with Accounting Standard (AS)-21 " Consolidated Financial Statements".
- Revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the exchange fluctuation reserve.
- Reporting period of the subsidiaries are different as to the company reporting period. Hence for the purpose of preparing consolidated financial Statements, the financial statements of subsidiaries have been prepared to the same reporting date and for the same reporting period as of the company in accordance with AS-21" Consolidated Financial Statements".
- The accounting policies of the parent are best viewed in its independent financial statements. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.
- Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the companies. Recognizing this purpose, the Company has disclosed only such Notes from the Independent Financial Statements, which fairly present the needed disclosures.

Consolidated Balance Sheet as at 31st March, 2015

(Amount in ₹)

Particulars	Note No.	As at 31st March, 2015		As at 31st March, 2014	
1	2	3		4	
I. EQUITY AND LIABILITIES					
1 Shareholders' Funds					
Share Capital	1	317437930		152437930	
Reserves and Surplus	2	1754315410		1148104209	
Share Warrant Money		-		30000000	
			2071753340		1330542139
2 Non-Current Liabilities					
Long-Term Borrowings	-	165776012		269943582	
Deferred Tax Liability (Net)	-	62554618		57514414	
			228330630		327457996
3 Current Liabilities					
Short-Term Borrowings	-	704250101		688271719	
Trade Payables	3	266593322		271457902	
Other Current Liabilities	4	252553243		306411837	
Short-Term Provisions	-	187469500		159048475	
			1410866165		1425189932
			3710950136		3083190067
II. ASSETS					
1 Non-current assets					
Fixed Assets					
(i) Tangible Assets	-	1059722117		895784279	
(ii) Capital Work-In-Progress		46100937		15429770	
Non-Current Investments	5	2000		2000	
Long-Term Loans and Advances	-	102485600		188717535	
Other Non-Current Assets	-	198344766		169972697	
			1406655420		1269906281
2 Current assets					
Inventories	6	971149888		711181759	
Trade Receivables	7	1011664012		839103233	
Cash and Bank Balances	8	71801949		68428739	
Short-Term Loans and Advances	9	249678866		194570054	
			2304294716		1813283786
			3710950136		3083190067
Significant Accounting Policies					
Notes on Financial Statements	1-19				

As per our Report of even date

For Vinay Gandhi & Associates
Chartered Accountants
FRN : 014442C

For and on Behalf of the Board

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

R. Shadananan
(Company Secretary)

Dinesh Patidar
(Chairman and Managing Director)

Ramesh Patidar
(Executive Director)

Place : Pithampur
Date : 21.05.2015

Consolidated Statement of Profit & Loss for the year ended 31st March, 2015

(Amount in ₹)

Particulars	Note No.	For the year ended 31st March, 2015	For the year ended 31st March, 2014
1	2	3	4
I INCOME			
Revenue From Operations			
Sales of Products	10	3024359311	2969993271
Less : Excise Duty Recovered		(58204129)	(49089158)
Net Sales		2966155182	2920904113
Other Income	11	114769054	101894226
Total Revenue		3080924236	3022798339
II EXPENDITURE			
Cost of Materials Consumed	12	1491648421	1300334910
Changes in Inventories of Finished Goods,	13	(193866211)	(44474931)
Stock-in-Process and Stock-in-Trade			
Employee Benefits Expense	14	350771669	256980303
Finance Costs	15	132274414	126039887
Depreciation and Amortization Expense		98236097	67671910
Other Expenses	16	846003145	974610061
Total Expenses		2725067535	2681162139
III Profit Before Tax		355856701	341636200
IV Tax expense:			
Current Tax		88004592	84840864
Deferred Tax		5040204	12218329
MAT Credit Availed		-	(5206064)
V Profit After Tax For The Year		262811905	249783071
VI Earning per equity share of Face Value of ₹10/- Each			
Basic		16.79	16.39
Diluted		14.30	14.92
Significant Accounting Policies			
Notes to the Financial Statements	1-19		

As per our Report of even date

For Vinay Gandhi & Associates

Chartered Accountants

FRN : 014442C

For and on Behalf of the Board

Vinay Gandhi

(Proprietor)

(M.No.75972)

R. Shadananan

(Company Secretary)

Dinesh Patidar

(Chairman and Managing Director)

Ramesh Patidar

(Executive Director)

Place : Pithampur

Date : 21.05.2015

Consolidated Cash Flow Statement for the year 31st March, 2015

(Amount in ₹)

Particulars	2014-15		2013-14	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit After Tax As Per Profit & Loss Account		262811905		249783071
Adjusted For :				
Depreciation Exp.	98236097		67671910	
Mics.Exp. Written off.	2366535		2366535	
Interest Income	(20861902)		(20139848)	
Interest Paid	111460381		101987396	
Loss on Sale of Fixed Assets	-		36059	
Profit on Sale of Fixed Assets	-		(58670)	
Deferred expenditure not included above	(30738603)		(111142806)	
MAT Credit	-		(5206064)	
Deffered Tax	5040204		12218329	
Income Tax Short Provision of Previous Year	(6709545)		-	
CSR Expenditure	(4806127)		-	
		153987039		47732841
Operating Profit Before Working Capital Changes		416798944		297515912
Adjusted For :				
(Increase)/Decrease in Trade & Other Receivables	(172560779)		(239099652)	
(Increase)/Decrease in Inventories	(259968129)		(26398647)	
Increase/(Decrease) in Trade Payables	(4864580)		68664203	
Increase/(Decrease) in Other Current Liabilities & Provisions	(19693769)		79800535	
		(457087257)		(117033561)
Net Cash Flow From Operating Activities (A)		(40288313)		180482351
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(294784864)		(177323886)	
Sale of Fixed Assets	1939762		2041925	
Interest Received	20861902		20139848	
Deposits	(13967809)		(8778934)	
Movement in Loan & Advances	31123122		(125247016)	
Net Cash Used in Investing Activities (B)		(254827887)		(289168064)

Cash Flow Statement for the year 31st March, 2015

(Amount in ₹)

Particulars	2014-15		2013-14	
C CASH FLOW FROM FINANCING ACTIVITIES				
Long Term Borrowings (NET)	(124327451)		142013469	
Short Term Borrowings (NET)	15978382		71002985	
Dividend Paid (Inc. DDT)	(35668951)		(17716717)	
Interest on Term Loans & Others Paid	(111460381)		(101987396)	
Proceeds From Issue of Equity Shares\Share Warrants	90000000		30000000	
(Including Premium)			-	
Proceeds From Issue of CCPS (Including Premium)	450000000		-	
Net Cash Used in Financing Activities (C)		284521599		123312340
Net Change in Cash & Cash Equivalents (A + B + C)		(10594601)		14626627
Cash & Cash Equivalents at the beginning of the year		21920707		7294080
Cash & Cash Equivalents as the end of the year		11326106		21920707

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

As per our Report of even date

For Vinay Gandhi & Associates
Chartered Accountants
FRN : 014442C

For and on Behalf of the Board

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

R. Shadananan
(Company Secretary)

Dinesh Patidar
(Chairman and Managing Director)

Ramesh Patidar
(Executive Director)

Place : Pithampur
Date : 21.05.2015

Notes on Financial Statements for the year ended 31st March, 2015

The previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.

1. SHARE CAPITAL

(Amount in ₹)

	As at 31st March, 2015	As at 31st March, 2014
Authorised Share Capital :		
25000000 Equity Shares of ₹10 each (Previous year 25000000 shares of ₹10 each)	250000000	250000000
1500000 15 % Compulsory Convertible Preference Shares of ₹100/- each (Previous Year NIL)	150000000	-
Issued & Subscribed Capital		
16923993 Equity Shares of ₹10 each (Previous year 15423993 shares of ₹10 each)	169239930	154239930
1500000 15 % Compulsory Convertible Preference Shares of ₹100/- each (Previous Year NIL)	150000000	-
Paid Up Capital		
16743793 Equity Shares of ₹10 each (Previous year 15243793 shares of ₹10 each)	167437930	152437930
1500000 15 % Compulsory Convertible Preference Shares of ₹100/- each (Previous Year NIL)	150000000	-
TOTAL	317437930	152437930

1.1 Reconciliation of shares outstanding at the beginning and at the end of the year

Equit Shares			
At the beginning of the year		15243793	15243793
Issued during the year		1500000	-
Outstanding at the end of the year		16743793	15243793

1.2 180200 Share out of Issued Share Capital are forfeited by the company which has not been reissued.

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

Name of the Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	% held	No. of Shares	% held
Dinesh Patidar	3521488	21.03%	3521488	23.10%
Ankit Patidar	1500000	8.96%	-	-
Green India Venture Fund	-	-	1134556	7.44%
Sunil Patidar	1562200	9.33%	1550200	10.17%
M.L.Securities & Finance Pvt.Ltd	1837383	10.97%	1888142	12.39%

2. RESERVES & SURPLUS

(Amount in ₹)

	As at 31st March, 2015	As at 31st March, 2014
Capital Reserve		
As per Last Balance Sheet	2057800	2057800
	2057800	2057800
Foreign Currency Fluctuation Reserve	20234	(9698)
Securities Premium Reserve		
As per Last Balance Sheet	341145471	341145471
Add: Received During the year		
Premium on Equity Shares	105000000	-
Premium on CCPS	300000000	-
	746145471	341145471

Notes on Financial Statements for the year ended 31st March, 2015

2. RESERVES & SURPLUS (contd.)

(Amount in ₹)

	As at 31st March, 2015	As at 31st March, 2014
General Reserve		
As per Last Balance Sheet	804910636	592419487
Add: Transferred from Profit & Loss Account	201181270	212491149
	1006091906	804910636
Profit & Loss Account		
As Per Last Balance Sheet	-	-
Add: Profit for the Year	262811905	249783071
Less: Appropriations/Adjustments		
Proposed Dividend	(33487586)	(30487586)
Dividend on CCPS	(8445205)	
Dividend Tax	(8385864)	(5181365)
CSR Expenditure	(4806127)	-
Excess Provision for Income Tax 2012-13	-	52469
Prior Period Adjustment	11	-
Income Tax Related to Earlier Year	-	(1675440)
Creditors written off During Assessment 2012-13	203680	-
Short Provision of Income Tax for AY 2014-15	(6709545)	-
Transferred to General Reserve	(201181270)	(212491149)
	-	-
TOTAL	1754315410	1148104209

3. TRADE PAYABLES

Sundry Creditors	266593322	271457902
TOTAL	266593322	271457902

4. OTHER CURRENT LIABILITIES

Current Liabilities of Long Term Debt	151419307	171579188
Creditors for Capital Expenditure	48525642	42568440
Creditors for Service & Others	12820536	66873903
Unclaimed Dividend	1592486	1441367
Advance from Customers	25515875	12398153
Statutory Payable	8397238	7134484
Expenses Payable	4282159	4416301
	252553243	306411837

5. NON CURRENT INVESTMENTS

(Amount in ₹)

Non-Trade Investments		
In Equity shares of Others		
Unquoted Fully Paid Up		
Cosmos Bank	2000	2000
	2000	2000
TOTAL	2000	2000

Notes on Financial Statements for the year ended 31st March, 2015

6. INVENTORIES

(Amount in ₹)

	As at 31st March, 2015	As at 31st March, 2014
Raw Material	367311312	284821396
Work In Process	253550060	189671604
Finished Goods	289277741	220300761
Stock in Transit	61010775	16387998
TOTAL	971149888	711181759

7. TRADE RECEIVABLES

(Unsecured & Considered good)			
Over Six Months	463068422		134766954
Others	548595591		704336279
TOTAL	1011664012		839103233

8. CASH & BANK BALANCES

Balances with Banks	10205005		20639097
Cash Balance	1121101		1281608
Fixed Deposits With Bank	60475843		46508034
TOTAL	71801949		68428739

8.1 Balance with Banks includes Unclaimed Dividend of ₹1592486/- (Previous year ₹1445392/-)

9. SHORT TERM LOAN & ADVANCES

(Amount in ₹)

Balances With Statutory authorities	59178008		88257320
Advance Income Tax	48500000		41000000
Advance for Salary & tour	6018284		3980628
Prepaid Expenses	10448739		5368803
Deposits	28878760		12770654
Other Short Term Loan & Advances	96655075		43192651
TOTAL	249678866		194570054

10. REVENUE FROM OPERATION

(Amount in ₹)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Sales of Finished Goods	3024359311	2969993271
TOTAL	3024359311	2969993271

11. OTHER INCOME

Interest Income	20861902		20139848
Other Operating Income	93907152		81754378
TOTAL	114769054		101894226

Notes on Financial Statements for the year ended 31st March, 2015

12. COST OF MATERIAL CONSUMED

(Amount in ₹)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Opening Stock of Raw Material	284821396	319327904
Add: Purchase of Raw Material	1574138337	1282216400
	1858959734	1601544304
Less: Closing Stock of Raw Material	367311312	301209394
TOTAL	1491648421	1300334910

13. CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS

(Amount in ₹)

Inventories (at Close)				
Finished Goods/Stock in Trade	350288516		220300761	
Stock In Process	253550060		189671604	
		603838576		409972365
Inventories (at Commencement)				
Finished Goods/Stock in Trade	220300761		129032185	
Stock In Process	189671604		236465249	
		409972365		365497434
TOTAL		193866211		44474931

14. EMPLOYEE BENEFIT EXPENSES

Salary & Wages	323191029	235994747
Contribution to Provident & Other Funds	9872747	6063718
Staff Welfare Expenses	17707893	14921838
TOTAL	350771669	256980303

15. FINANCE COST

Interest to Bank	110223543	101117691
Interest to Other	1236838	869705
Bank Charges	20814033	24052491
TOTAL	132274414	126039887

Notes on Financial Statements for the year ended 31st March, 2015

16. OTHER EXPENSES

(Amount in ₹)

	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
MANUFACTURING EXPENSES				
Power & Fuel	20335850		19243565	
Job Work Expenses	25948345		28149938	
Entry Tax	2421436		1921131	
Freight Charges	24217813		12170828	
Other Manufacturing Exp.	29074090		27147067	
		101997535		88632529
ADMINISTRATIVE EXPENSES				
Directors Remuneration	20143620		7317250	
Telephone Expenses	6836573		4954906	
Conveyance Expenses	20120835		15467536	
Consultancy Charges	4463111		4443106	
Other Office Exp.	16584256		9792389	
		68148394		41975187
SELLING & DISTRIBUTION EXPENSES				
Clearing & Forwarding Charges	6035348		3848796	
Office & Godown Rent	4140960		6242059	
Travelling Expenses	74699184		51970992	
Advertising Exp.	109200356		75760787	
Market Development Exp.	49442359		72166398	
Exhibition and Promotional Exp.	4619126		5767159	
Transportation Charges	52719642		9717187	
ECGC Premium	5151430		9219887	
Other Expenses	345130338		580254073	
		651138742		814947338
OTHER EXPENSES				
Legal & Professional Exp.	8757738		4563820	
Payment to Auditors	300000		300000	
Repair & Maintenance	3777211		5506881	
Taxes & Duties	7729187		3402566	
Other Exp.	1787803		12915204	
		22351939		26688472
MISC. EXP. WRITTEN OFF		2366535		2366535
TOTAL		846003145		974610061

Notes on Financial Statements for the year ended 31st March, 2015

17. RELATED PARTY DISCLOSURES

Consolidated related party transactions are same as related party transaction of stand alone financial statements.

18. CONTINGENT LIABILITIES

Consolidated contingent liability are same as contingent liability of stand alone financial statements.

19. ADDITIONAL FINANCIAL INFORMATION

Financial Information of Subsidiaries for the year ended 31st March, 2015

(Amount in ₹)

S.No	Particulars	Shakti Pumps LLC	Shakti Pumps FZE	Shakti Pumps Pty Limited
a)	Paid Up Share Capital	3331941	2206115	730988
b)	Share Premium	-	-	-
c)	Other Reserves	-	-	-
d)	Total Assets	50258261	260719242	730987
e)	Total Liabilities	50258261	260719242	730987
f)	Investments	-	-	-
g)	Turnover	49589766	217156400	-
h)	Profit/(Loss) Before tax	1520682	4088558	-
i)	Provision for Tax	-	-	-
j)	Profit/(Loss) After Tax	1520682	4088558	-
k)	Proposed Dividend	-	-	-

Closing Exchange Rates

1 USD = 60.75 INR

1 AED = 16.30 INR

1 AUD = 47.46

As per our Report of even date

For Vinay Gandhi & Associates

Chartered Accountants

FRN : 014442C

For and on Behalf of the Board

Vinay Gandhi

(Proprietor)

(M.No.75972)

R. Shadananan

(Company Secretary)

Dinesh Patidar

(Chairman and Managing Director)

Ramesh Patidar

(Executive Director)

Place : Pithampur

Date : 21.05.2015



Shakti Pumps (India) Limited

CIN: L29120MP1995PLC009327

Registered Office: Plot No. 401,402 & 413, Sector III, Industrial Area, Pithampur- 454774, District: Dhar (M.P.)

E-mail: cs@shaktipumpsindia.com

FORM No.MGT-11

Proxy Form

[Pursuant to section 105(6) of Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):

Registered Address:

E-mail Id:

Folio No/Client Id:

DP ID:

I/We being the Member(s) of _____ shares of the above named Company, hereby appoint

1. Name: _____ Address: _____
E-mail ID: _____ Signature, _____ or failing him
2. Name: _____ Address: _____
E-mail ID: _____ Signature, _____ or failing him
3. Name: _____ Address: _____
E-mail ID: _____ Signature, _____

as my/our proxy to attend and vote (on poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the Company, to be held on Saturday the 26th day of September, 2015 at 11.30 A.M. at its Registered Office at Plot No. 401 , 402 & 413 Sector III, Industrial Area, Pithampur (M.P.) and at any adjournment thereof in respect of such resolution as are indicated below :

Resolution No.	RESOLUTIONS	For	Against
	Ordinary Business		
1.	Adoption of Financial Statement for the Year ended March 31, 2015.		
2.	Approval of final Dividend for the year ended March 31, 2015.		
3.	Re-appointment of Mr. Sunil Patidar who retires by rotation.		
4.	Appointment of Auditor and fixing their Remuneration.		
	Special Business		
5.	Re-appointment of Mr. Dinesh Patidar as Chairman and Managing Director.		
6.	Appointment of Mr. Bal Mukund Sharma as an Independent Director of the Company.		
7.	Appointment of Mrs. Nishtha Neema as an Independent Director of the Company.		
8.	Appointment of Mr. Sridhar Narayan as a Nominee Director .		
9.	Appointment and fixing Remuneration of Cost Auditor.		
10.	Rectification of disclosure as per Regulation 73(1)(e) of chapter VII of SEBI (ICDR) Regulation		

Signature of Shareholder

Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting.
2. The Proxy Form should be signed as per specimen signature registered with the Share Transfer Agent or Depository Participant, as the case may be.
3. A Proxy need not be a member of the Company.
4. This is only optional. Please put 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.



Shakti Pumps (India) Limited

CIN: L29120MP1995PLC009327

Registered Office: Plot No. 401,402 & 413, Sector III, Industrial Area, Pithampur- 454774, District: Dhar (M.P.)

E-mail: cs@shaktipumpsindia.com

ATTENDANCE SLIP

(Please complete this attendance slip and hand it over at the entrance of the hall)

I hereby record my presence at 20th Annual General Meeting on 26th September, 2015 at 11.30 A.M. at its Registered Office at Plot No. 401, 402 & 413 Sector III, Industrial Area, Pithampur (M.P.).

Full Name of the Share Holder
(in Block Letters)

Folio No.

No. of Shares Held

Name of Proxy

(If the Proxy attends, instead of the shareholder)

Signature of the Shareholder/Proxy/Representative*

*Strike out whichever is not applicable

Note:

1. Please complete the Folio / DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the meeting venue. Attendance slips shall also be issued at the venue.
2. Electronic copy of the Annual Report for the year ended March 31, 2015 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual report for the year ended March 31, 2015 and Notice of the Annual General Meeting alongwith Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email id is not registered or have requested for a hard copy.

Corporate information

Board of Directors

- | | |
|--------------------------|---------------------|
| 1. Mr. Dinesh Patidar | Managing Director |
| 2. Mr. Sunil Patidar | Whole Time Director |
| 3. Mr. Ramesh patidar | Whole Time Director |
| 4. Mr. Navin S Patwa | |
| 5. Mr. S. S. Raghuvanshi | |
| 6. Mr. Raj Kumar Jain | |
| 7. Mr. Bal Mukund Sharma | |
| 8. Mr. Sridhar Narayan | |
| 9. Mrs. Nishtha Neema | |

Company Secretary & Compliance Officer

Mr. R. Shadananan

Auditors

M/S Vinay Gandhi & Associates
106, Man Heritage, 6/2 South
Tukoganj,
Near high court, Indore 452001

Secretarial Auditor

M. Maheshwari & Associates

Bankers

Axis Bank
State Bank of India
Standard chartered bank

Registrar and Transfer Agent

Adroit corporate services Pvt. Ltd
19/20, Jaferbhoy, Industrial Estate,
1st floor, Makwana Road, Marol Naka,
Andheri (E) Mumbai 400059
Ph no (022) 28594060, 28596060
Email: pratapp@adroitcorporate.com

Registered Address Office & Work

Plot No. 401, 402 & 413 Sector III,
Industrial Area, Pithampur (M.P)
454775
Tel no: 91-07292-410500
Fax no: 91-7292-410519
Email: cs@shaktipumpsindia.com/
info@shaktipumps.com
Web: www.shaktipumps.com



**Shakti Pumps (India) Limited**

CIN: L29120MP1995PLC009327

Registered Office: Plot No. 401,402 & 413, Sector III, Industrial Area, Pithampur- 454774, District: Dhar (M.P.)

E-mail: cs@shaktipumpsindia.com

FORM No.MGT-12**Polling Paper**

[Pursuant to section 109(5) of Companies Act, 2013 and rule 21 (1) (c) of the Companies (Management and Administration) Rules, 2014]

BALLOT PAPER		
S. No.	Particulars	Details
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal Address	
3.	Registered folio No. / *Client ID No. (Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

No.	Item No.	No. of shares held by me	I assent to the resolution	I dissent from
	ORDINARY RESOLUTION:			
1.	Adoption of Financial Statement for the Year ended March 31, 2015			
2.	Approval of final Dividend for the year ended March 31, 2015.			
3.	Re-appointment of Mr. Sunil Patidar who retires by rotation.			
4.	Appointment of Auditor and fixing their Remuneration.			
5.	Re-appointment of Mr. Dinesh Patidar as Chairman and Managing Director.			
6.	Appointment of Mr. Bal Mukund Sharma as an Independent Director of the Company.			
7.	Appointment of Mrs. Nishtha Neema as an Independent Director of the Company.			
8.	Appointment of Mr. Sridhar Narayan as a Nominee Director .			
9.	Appointment and fixing Remuneration of Cost Auditor			
	SPECIAL RESOLUTION			
10.	Ratification of disclosure as per Regulation 73(1)(e) of chapter VII of SEBI (ICDR) Regulation			

Place:

Date:

(Signature of the Shareholder)