

## Shakti Pumps (India) Limited Q2 & H1FY23 Financial & Operational Performance

**Revenue for H1FY23 stood at Rs 4,708 million**

**Export revenue at Rs 1,027 million in H1FY23, a robust growth of 20.3% YoY**

**Pithampur, Madhya Pradesh (India), 11 November 2022** – The financial results for the quarter and half year ended September 30, 2022, have been announced by Shakti Pumps (India) Limited (herein referred to as "SPIL"), a leading manufacturer of stainless-steel submersible pumps, pressure booster pumps, pump-motors, controllers, and inverters among other products.

**Shakti Pumps (India) Limited Chairman and Managing Director Mr. Dinesh Patidar commented on the results, saying,** *"We reported a revenue of Rs 4,708 million in H1FY23 compared to Rs 5,253 million in H1FY22. Our export business continues to deliver strong performance with revenue growth of 20.3% YoY to Rs 1,027 million in H1FY23. Solar EPC business reported a revenue of Rs 3,100 million as compared to Rs 3,470 million in H1FY22. We have kept on hold the execution of 12,000 solar pumps during the period under review and are in discussion with the Central Government for an upward price revision in the contracts under the KUSUM 2 scheme. This has impacted our Q2FY23 financial performance leading to a subdued revenue of Rs 2,163 million, as compared to Q2FY22 revenue. It is also pertinent to note that execution in KUSUM 1 scheme had picked up significantly since Q2FY22 post 2<sup>nd</sup> wave of COVID resulting in a robust performance for the company during the period.*

*Under the KUSUM 2 scheme, for the period January to September 2022, 68,427 solar pumps were installed, with us installing 21,475 solar pumps having an overall market share of around 31%. Had we initiated with the installation of these 12,000 additional solar pumps worth Rs 3,000 million secured by the State Government, our total execution would have been much higher. The order is currently on hold as we are negotiating an increase in contract price with the Central government to make it more financially viable for us. We are optimistic to commence the execution of these orders as we reach a conclusion with the Government on the same. Our marketing team is in constant contact with the farmers/customers, and we are pleased to inform that they trust our products because of our quality and superior after-sales service, and do not want to switch to any other brand.*

*During the July-September 2022 period, around 35,000 solar pumps were installed by several players, primarily MSME, who have made modest deliveries to gain market expertise. However, we believe that these smaller firms do not pose a threat to SPIL because of our extensive industry experience, in-house manufacturing capacity, technologically advanced products, strong backend support, and market acceptance. According to the official statistics, around 8 lakh pumps have been sanctioned under Component B, with 6.6 lakhs yet to be installed, suggesting a large market opportunity worth Rs. 165 billion for the players. Our focus on R&D has augured well, as we have received two patents during the current fiscal year, which would enable us to capture strong footprints in the retail market."*

## Key Financial highlights of the Quarter (Consolidated):

Particulars (Rs Million)	Q2FY23	Q2FY22	YoY	Q1FY23	QoQ	H1FY23	H1FY22	YoY
Revenue from operations	2,163	3,690	(41.4%)	2,545	(15.0%)	4,708	5,253	(10.4%)
EBITDA	124	343	(63.7%)	213	(41.7%)	338	469	(27.9%)
EBITDA Margin	5.8%	9.3%	(354 bps)	8.4%	(264 bps)	7.2%	8.9%	(175 bps)
Profit Before Tax	27	270	(90.0%)	117	(76.9%)	145	335	(56.8%)
Profit After Tax	19	208	(90.6%)	87	(77.7%)	106	281	(62.1%)
PAT Margin	0.9%	5.6%	(475 bps)	3.4%	(255 bps)	2.3%	5.3%	(308 bps)
Diluted EPS (Rs.)	1.0	11.3	(90.9%)	4.8	(78.2%)	5.8	15.3	(62.0%)

## Financial Highlights:

- Revenue from operations stood at Rs 2,163 million in Q2FY23 as compared to Rs 3,690 million in Q2FY22; In H1FY23 revenue was at Rs 4,708 million as against Rs 5,253 million in H1FY22
- EBITDA was at Rs 124 million in Q2FY23 with an EBITDA margin of 5.8%; for H1FY23, EBITDA was at Rs 338 million with an EBITDA margin of 7.2%
- The company reported PAT at Rs 19 million in Q2FY23 and Rs 106 million in H1FY23

## Highlights

- During the quarter under review, the company received a USD 6 million advance from EXIM Bank on behalf of the Government of Uganda for the supply of a solar-powered water pumping system. The contract was awarded in March 2021 for USD 35.30 million exclusive of VAT. The execution is expected to commence in December 2022.
- SPIIL received its Second Patent in August 2022 for Inventing 'Shakti Slip start Synchronous Run Motor'. The patented motor is 5-10% higher efficient and has upto 15% of power factor than a Conventional induction Motor, therefore, it is a retrofit and reduced carbon footprint alternative to line-run induction motors. This Motor would enable the customers in reducing their electricity bills and ultimately help in dropping the losses of power companies.
- The Company has invested Rs. 60 million in its wholly owned subsidiary i.e. Shakti Green Industries Private Limited (SGIPL) during the quarter. SGIPL is in the business of manufacturing of EV Chargers, EV Motor and controllers.

## About Shakti Pumps (India) Limited

Shakti Pumps (India) limited (SPIL), founded in 1982 as a partnership firm and later converted to a public limited company in 1995, manufactures solar pumps, energy-efficient stainless-steel submersible pumps, pressure booster pumps, pump-motors, and other products. SPIL is the only company that manufactures a wide range of products for solar pump installation in-house, including Variable Frequency Drives, Structures, Motors, Inventors, and so on. Pithampur, Madhya Pradesh, is home to two manufacturing facilities with a combined capacity of 500,000 pumps per year (India).

It is one of the largest Indian solar pumping companies, with a 30%+ share of the PM Kusum scheme. Over the last few years, SPIL has developed a highly advanced in-house R&D Team and Infrastructure that can produce innovative solutions for its customers while also providing robust backend support. It has a fully automatic Electronic & Control plant with Japanese technology that can produce 200,000 Variable Frequency Drive (VFD) and Solar Inverters per year. SPIL offers over 1,200 product variants across all categories, with applications ranging from agricultural to building services, power, oil & gas, metals & mining, and others. It has a strong presence in the domestic market, with over 500 dealers, 400 service centres, and 18 state-based marketing branches, and sells all of its products under the "Shakti" brand. The company has a presence in over 100 countries and is present on all continents.

For more details, please visit: <https://www.shaktipumps.com/>

For further information, please contact:

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