



SHAKTI PUMPS INDIA LIMITED

H1 / Q2-FY20 EARNINGS
PRESENTATION

Executive Summary



Industries Catered

Solar	Export
Industrial	Domestic
Agriculture	Commercial & Building



Overview

- Established in 1982, Shakti Pumps (India) Ltd. (Shakti) is an India based solar submersible pumps, motors manufacturer.
- Today we are registered as solar pump Manufacturing Company in various states i.e. MP, UP, MH, RJ, CH, AP, Haryana, Punjab, Bihar, Gujarat.
- Our 25% Revenue is contributed from the overseas market.
- Market Capitalization of the company is INR 5,298 Mn as on 30th September, 2019.

Products

- Solar Pumping System with PMSM Motors alongwith Inverter
- Industrial Pump and system with hydro-pneumatic technology alongwith VFD.
- Electric Starter with mobile application.
- Solar on grid and off grid Inverter.
- Solar structure

FY19 Financial Performance (Consolidated)

Revenue from Operations	3 Year - CAGR
INR 5,437Mn ▲	27.20% ▲
EBITDA	3 Year - CAGR
INR 893Mn ▲	64.52% ▲
PAT	3 Year - CAGR
INR 451Mn ▲	171.08% ▲

Company Overview

About the Company

Shakti Pumps (India) Ltd. (Shakti), was founded in 1982 and is one of the pioneers to produce 100% stainless steel submersible pumps and motors.

The company is a leading manufacturer of energy efficient Solar Pumping solutions, Stainless Steel pumps and motors.

Shakti has two manufacturing units located at Pithampur in Madhya Pradesh with a combined capacity of over 5,00,000 units per annum.

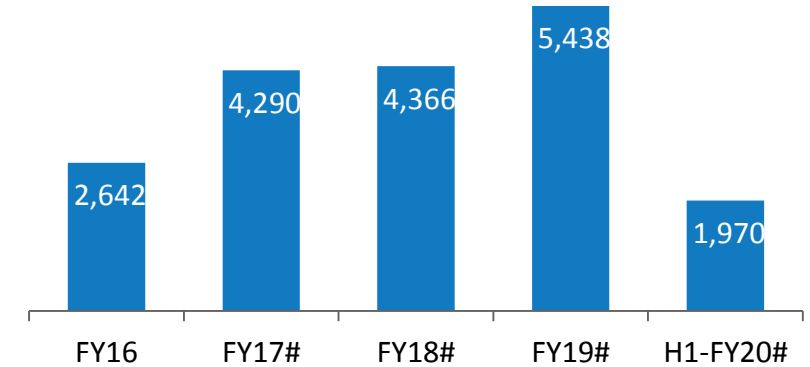
The company has developed 1,200+ pump variants catering to almost all aquatic related sectors, like agriculture, water processing, industrial, construction, hospitality, households and horticulture.

First Indian Company to have 5-Star Rated Pumps with highest number of 5-star rated pumps i.e. 260 models

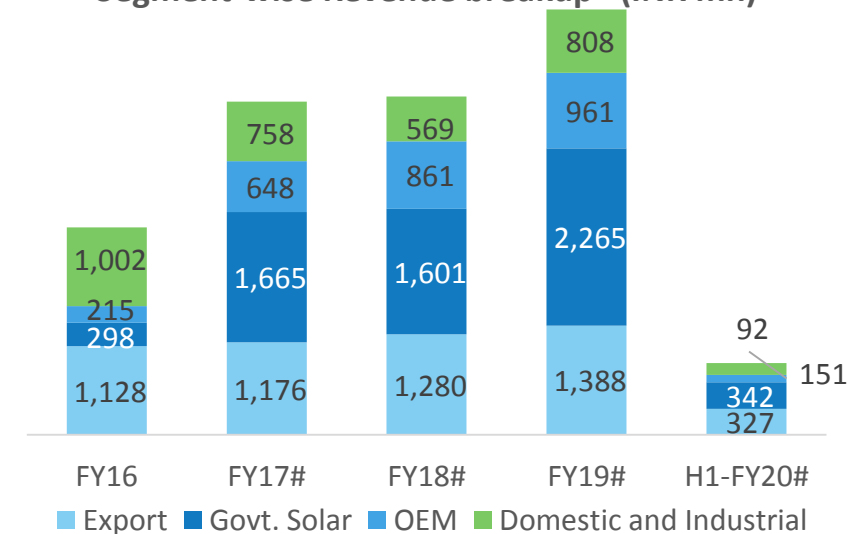
Shakti caters to the domestic market through 16 branches spread across 16 states with a strong network of about 600 dealers and 4000+ retailers.

The company has subsidiaries in UAE, USA, Australia, China, Bangladesh with international presence in 100+ countries having 550+ dealers cum retailers. Shakti has been accredited as 'Star Export House' by the Government of India.

Operational Revenue (INR Mn)*



Segment-wise Revenue breakup* (INR mn)



* Consolidated # As Per Ind-As

Business Mix

ONE STOP SOLUTION
for Pumping Application

1,200+
Product
Variants



Solar

Channel partner with MNRE with top notch 1A ratings, pumps ranging from 1HP to 100HP that are simple to operate with remote monitoring system offering 30-40% more discharge.



Agriculture

For agricultural needs like irrigation pumps, solar pumping solutions, agricultural sprinkler system with pumps or with solar pumps.



Commercial

Building
Used in hotels, corporates, malls, high rises buildings, commercial premises where heavy pressure and boosting is required.



Domestic

For domestic needs of bungalows, high-rise buildings, housing complexes & apartment. Ideally used for tasks such as water supply, over tank storage watering, gardens and fountains.



Industrial

Used in industries for variety of purposes such as fire fighting, sewage, heating & cooling of systems, washing, storage, etc.



Sewage

Offers wide range of necessities from draining flood water from various areas like basements, car parks, empty cesspools to managing sewage in a water treatment plant.

Financial Overview

H1 / Q2-FY20 Financial Highlights

Q2-FY20 Standalone Performance:

- Revenue from Operations: INR 865 Mn
- EBITDA : INR (2) Mn
- EBITDA Margins: NA
- Net Profit: INR (51) Mn
- PAT Margins: NA
- Diluted EPS: INR (2.80) per share

H1-FY20 Standalone Performance:

- Revenue from Operations: INR 1,885 Mn
- EBITDA : INR 76 Mn
- EBITDA Margins: 4.03%
- Net Profit: INR (44) Mn
- PAT Margins: NA
- Diluted EPS: INR (2.41) per share

Q2-FY20 Consolidated Performance:

- Revenue from Operations: INR 912 Mn
- EBITDA : INR 45 Mn
- EBITDA Margins: 4.93%
- Net Profit: INR (17) Mn
- PAT Margins: NA
- Diluted EPS: INR (0.93) per share

H1-FY20 Consolidated Performance:

- Revenue from Operations: INR 1,970 Mn
- EBITDA : INR 151 Mn
- EBITDA Margins: 7.66%
- Net Profit: INR 8 Mn
- PAT Margins: 0.41%
- Diluted EPS: INR 0.42 per share

Q2-FY20 Operational Highlights

Operational Highlights:

- Since there is a transition of order inflow from the State government to Central government based on the KUSUM scheme, the incremental order inflow in Q2 was minimal and execution was on orders which were already in pipeline. New orders will henceforth primarily come through the KUSUM scheme. This resulted in an overall decline in revenues for the quarter and due to constant operational costs the profitability also was impacted. This transition phase is only temporary and the management is optimistic of the turnaround in the financial performance for the company in coming quarters.
- The 24.48% promotor pledge which was predominantly taken for working capital has now been released. There are no Further outstanding pledge shares of the promoters.
- The company has entered into the state of Assam by appointing 3 dealers.
- The domestic dealer network has been enhanced to 340 Vs 293 for the same period last year.
- New Strategy and competitive pricing has improved Solar cash market in the state of Rajasthan.
- The company has successfully established itself in the Karnataka market with a sales of INR 2 Cr by approaching the Farmer Cooperative Societies and targeted sales of INR 10 Cr by the year end.
- Cost cutting measures have been undertaken by shutting down inefficient and unproductive branches in Chennai, Kerala and Andhra Pradesh.
- There is an increased focus and strategy to enhance sales of newly launched A1 smart starters and soft starters in unique markets.
- A dedicated team for railway projects has been put in place and completed INR 1.25 Cr worth of work by installing pressure booster pumps in Ratlam and Secundarabad in the first phase, which has reduced the lead time from 30 mins to 3 mins.

Q2-FY20 KUSUM Highlights

- In the KUSUM scheme, the government has opted for a rate contract bidding system to ensure sustainable pricing and better service. 31 bidders have bided for the 1st tender of the KUSUM scheme with a performance bank guarantee of INR 22 Cr. The bidders have to provide 5 years of warranty for the complete solutions for solar pumps.
- The commercial bid for the KUSUM scheme tenders have been opened and Shakti Pumps have met the criteria to supply the solar pumps in various states.
- The company has a vision to provide power on the land of each farmer and touching their lives by providing energy efficient solar pumping systems.

Q2-FY20 Standalone Income Statement (IND-AS)

PARTICULARS (INR Mn)	Q2-FY20	Q2-FY19	Y-o-Y	Q1-FY20	Q-o-Q
Revenue from Operations	865	1,281	(32.5)%	1,019	(15.1)%
Total Expenses	867	1,099	(21.1)%	940	(7.8)%
EBITDA	(2)	182	NA	79	NA
EBITDA Margins (%)	-	14.20%	NA	7.75%	NA
Other Income	5	3	66.7%	10	(50.0)%
Depreciation	41	37	10.81%	40	2.5%
Finance Cost	46	42	9.5%	41	12.2%
PBT	(84)	106	NA	8	NA
Tax	(33)	36	NA	1	NA
PAT	(51)	70	NA	7	NA
PAT Margins (%)	-	5.46%	NA	0.69%	NA
Other Comprehensive Income	-	1	NA	-	NA
Total Comprehensive Income	(51)	71	NA	7	NA
Basic / Diluted EPS (INR)	(2.80)	3.82	NA	0.39	NA

H1-FY20 Standalone Income Statement (IND-AS)

PARTICULARS (INR Mn)	H1-FY20	H1-FY19	Y-o-Y
Revenue from Operations	1,885	2,184	(13.7)%
Total Expenses	1,809	1,917	(5.6)%
EBITDA	76	267	(71.5)%
EBITDA Margins (%)	4.03%	12.22%	(819) Bps
Other Income	15	23	(34.8)%
Depreciation	80	73	9.6%
Finance Cost	87	72	20.8%
PBT	(76)	145	NA
Tax	(32)	49	NA
PAT	(44)	96	NA
PAT Margins (%)	-	4.40%	NA
Other Comprehensive Income	-	1	NA
Total Comprehensive Income	(44)	97	NA
Basic / Diluted EPS (INR)	(2.41)	5.23	NA

Q2-FY20 Consolidated Income Statement (IND-AS)

PARTICULARS (INR Mn)	Q2-FY20	Q2-FY19	Y-o-Y	Q1-FY20	Q-o-Q
Revenue from Operations	912	1,376	(33.7)%	1,058	(13.8)%
Total Expenses	867	1,168	(25.8)%	951	(8.8)%
EBITDA	45	208	(78.4)%	107	(57.9)%
EBITDA Margins (%)	4.93%	15.12%	NA	10.11%	(518) Bps
Other Income	6	4	50.0%	11	(45.5)%
Depreciation	43	37	16.2%	41	4.9%
Finance Cost	51	47	8.5%	46	10.9%
PBT	(43)	128	NA	31	NA
Tax	(26)	35	NA	6	NA
PAT	(17)	93	NA	25	NA
PAT Margins (%)	-	6.76%	NA	2.36%	NA
Other Comprehensive Income	2	3	(33.3)%	(1)	NA
Total Comprehensive Income	(15)	96	NA	24	NA
Basic / Diluted EPS (INR)	(0.93)	5.04	NA	1.35	NA

H1-FY20 Consolidated Income Statement (IND-AS)

PARTICULARS (INR Mn)	H1-FY20	H1-FY19	Y-o-Y
Revenue from Operations	1,970	2,335	(15.6)%
Total Expenses	1,819	1,995	(8.8)%
EBITDA	151	340	(55.6)%
<i>EBITDA Margins (%)</i>	<i>7.66%</i>	<i>14.56%</i>	<i>(690) Bps</i>
Other Income	17	25	(32.0)%
Depreciation	84	73	15.1%
Finance Cost	96	79	21.5%
PBT	(12)	213	NA
Tax	(20)	54	NA
PAT	8	159	(95.0)%
<i>PAT Margins (%)</i>	<i>0.41%</i>	<i>6.81%</i>	<i>(640) Bps</i>
Other Comprehensive Income	1	4	(75.0)%
Total Comprehensive Income	9	163	(94.5)%
Basic / Diluted EPS (INR)	0.42	8.66	(95.2)%

Historical Financial Overview

Historical Standalone Income Statement (IND-AS)

PARTICULARS (INR Mn)	FY17	FY18	FY19	H1-FY20
Revenue from Operations	4,094	4,131	5,211	1,885
Total Expenses	3,504	3,432	4,467	1,809
EBITDA	590	699	744	76
EBITDA Margins (%)	14.41%	16.92%	14.28%	4.03%
Other Income	19	29	25	15
Depreciation	128	139	149	80
Finance Cost	160	136	167	87
PBT	321	453	453	(76)
Tax	103	175	139	(32)
PAT	218	278	314	(44)
PAT Margins (%)	5.32%	6.73%	6.03%	-
Other Comprehensive Income	(6)	1	3	-
Total Comprehensive Income	212	279	317	(44)
Basic / Diluted EPS (INR)	11.87	15.15	17.10	(2.41)

Standalone Balance Sheet (IND-AS)

PARTICULARS (INR Mn)	FY18	FY19	H1-FY20	PARTICULARS (INR Mn)	FY18	FY19	H1-FY20
EQUITY AND LIABILITIES				ASSETS			
Equity	2,490	2,725	2,681	Non-Current Assets	1,363	1,670	1,699
(a) Equity Share Capital	184	184	184	(a) Property, Plant and Equipment	1,181	1,264	1,249
(b) Other Equity	2,306	2,541	2,497	(b) Capital Work in Progress	-	3	5
				(c) Other Intangible Assets	6	18	32
Non-Current Liabilities	269	261	301	(d) Intangible Assets under Development	-	9	2
(a) Financial Liabilities				(e) Financial Assets			
(i) Borrowings	132	98	173	(i) Investments	102	181	201
(b) Provisions	37	46	42	(f) Non-Current Tax Assets (Net)	33	119	135
(c) Deferred tax liabilities (Net)	100	117	86	(g) Other Non-Current Assets	41	76	75
Current Liabilities	1,727	2,435	2,146	Current Assets	3,123	3,751	3,429
(a) Financial Liabilities				(a) Inventories	999	1,149	1,359
(i) Borrowings	913	1,484	1,488	(b) Financial Assets			
(ii) Trade payables	486	654	430	(i) Trade Receivables	1,518	1,724	1,290
(ii) Other Financial Liabilities	228	237	199	(ii) Cash and Cash Equivalents	77	14	30
(b) Provisions	1	1	3	(iii) Bank Balance Other than above	124	134	96
(c) Other Current Liabilities	74	59	26	(iv) Other Financial Assets	70	64	63
(d) Current Tax Liabilities (Net)	25	-	-	(c) Current Tax Assets (Net)	-	16	43
				(d) Other Current Assets	335	650	548
GRAND TOTAL - EQUITIES & LIABILITES	4,486	5,421	5,128	GRAND TOTAL - ASSETS	4,486	5,421	5,128

Historical Consolidated Income Statement (IND-AS)

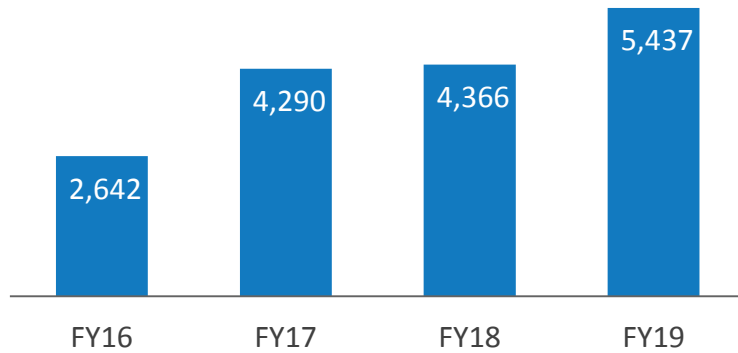
PARTICULARS (INR Mn)	FY17	FY18	FY19	H1-FY20
Revenue from Operations	4,290	4,366	5,437	1,970
Total Expenses	3,686	3,581	4,544	1,819
EBITDA	604	785	893	151
<i>EBITDA Margins (%)</i>	<i>14.08%</i>	<i>17.98%</i>	<i>16.42%</i>	<i>7.66%</i>
Other Income	21	35	37	17
Depreciation	128	140	151	84
Finance Cost	165	140	178	96
PBT	332	540	601	(12)
Tax	116	192	150	(20)
PAT	216	348	451	8
<i>PAT Margins (%)</i>	<i>5.03%</i>	<i>7.98%</i>	<i>8.30%</i>	<i>0.41%</i>
Other Comprehensive Income	1	-	-	1
Total Comprehensive Income	217	348	451	9
Basic / Diluted EPS (INR)	11.78	18.96	24.52	0.42

Consolidated Balance Sheet (IND-AS)

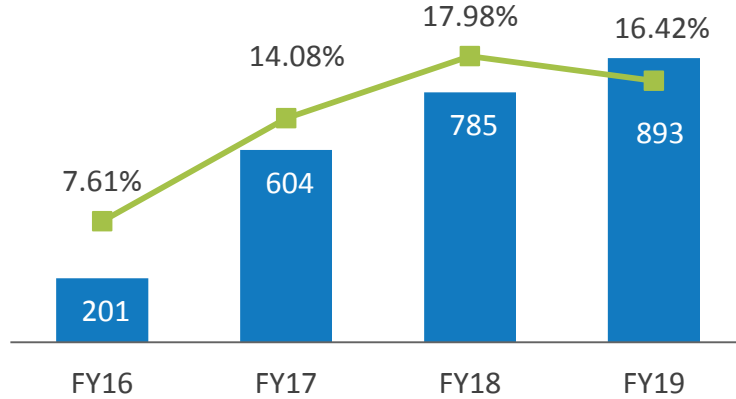
PARTICULARS (INR Mn)	FY18	FY19	H1-FY20	PARTICULARS (INR Mn)	FY18	FY19	H1-FY20
EQUITY AND LIABILITIES				ASSETS			
Equity	2,536	2,904	2,914	Non-Current Asset	1,314	1,718	1,738
(a) Equity Share Capital	184	184	184	(a) Property, Plant and Equipment	1,205	1,383	1,369
(b) Other Equity	2,352	2,720	2,730	(b) Capital Work in Progress	2	112	125
				(c) Other Intangible Assets	6	18	32
Non-Current Liabilities	284	377	404	(d) Intangible Assets under Development	-	9	2
(a) Financial Liabilities				(e) Financial Assets			
(i) Borrowings	146	213	277	(i) Investments	-	-	
(b) Provisions	38	46	42	(ii) Loans	26	-	
(c) Deferred tax liabilities (Net)	100	118	85	(f) Non-Current Tax Assets (Net)	33	34	135
				(g) Other Non-Current Assets	42	162	75
Current Liabilities	1,754	2,553	2,230	Current Assets	3,260	4,116	3,810
(a) Financial Liabilities				(a) Inventories	1,161	1,356	1,600
(i) Borrowings	913	1,484	1,513	(b) Financial Assets			
(ii) Trade payables	498	721	430	(i) Trade Receivables	1,433	1,805	1,369
(ii) Other Financial Liabilities	229	260	235	(ii) Cash and Cash Equivalents	104	53	54
(b) Provisions	1	2	3	(iii) Bank Balance Other than above	153	137	98
(c) Other Current Liabilities	83	86	49	(iv) Other Financial Assets	70	66	64
(d) Current Tax Liabilities (Net)	30	-	-	(c) Current Tax Assets (Net)	-	6	38
				(d) Other Current Assets	339	693	587
GRAND TOTAL - EQUITIES & LIABILITES	4,574	5,834	5,548	GRAND TOTAL - ASSETS	4,574	5,834	5,548

Financial Highlights (Consolidated)

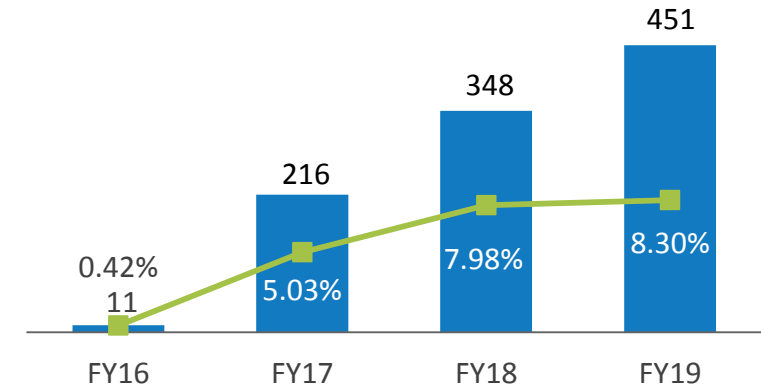
Revenue from Operations (INR Mn)



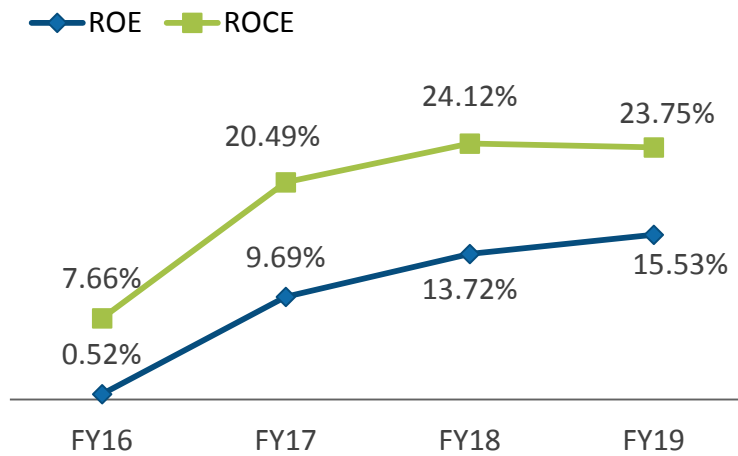
EBITDA (INR Mn) and EBITDA Margins (%)



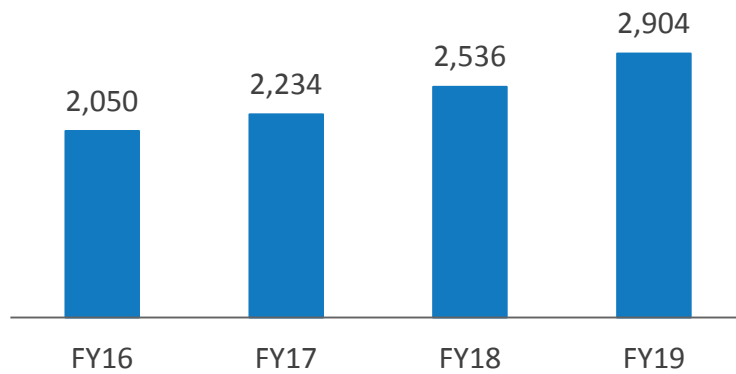
PAT (INR Mn) and PAT Margins (%)



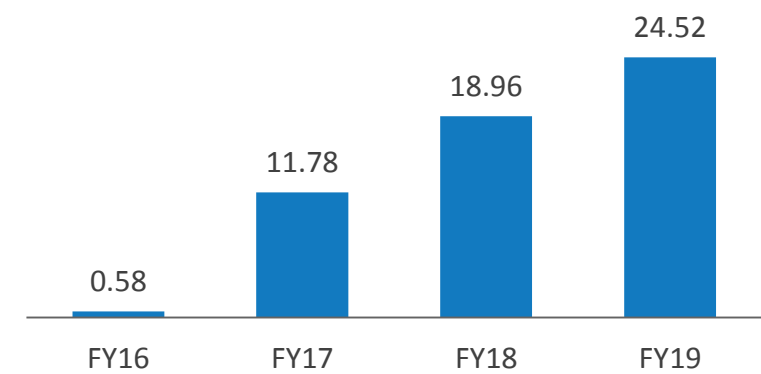
ROE (%) and ROCE (%)



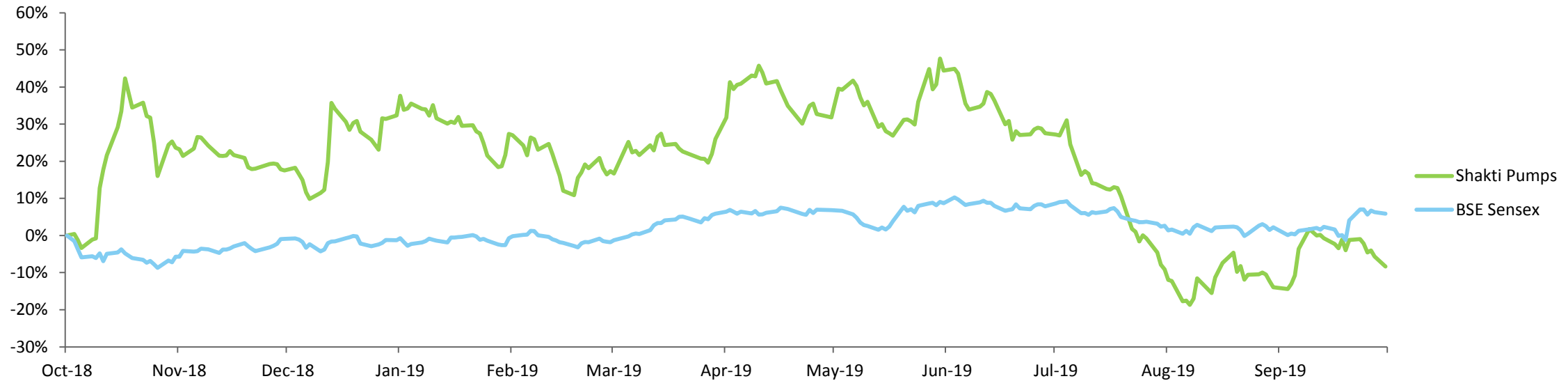
Net Worth (INR Mn)



EPS (INR)



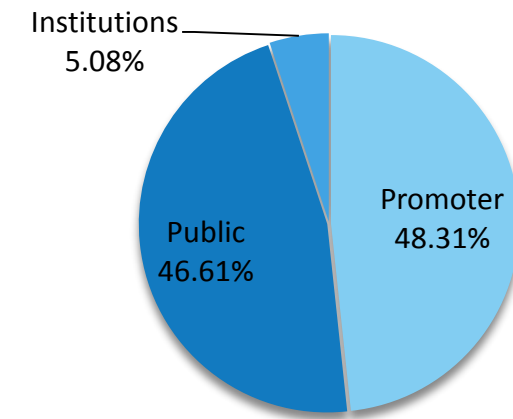
Capital Market



Price Data (30th September, 2019)

CMP (INR)	288.25
52 Week H/L (INR)	479.9/251.3
Avg. Net Turnover (INR Mn)	29.3
Market Cap (INR Mn)	5,298.1
Equity Shares Outstanding (No.)	18.4

Shareholding Pattern (30th September, 2019)



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