



“Shakti Pumps India Limited Q1 FY24 Earnings Conference Call”

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(INDIA) LIMITED
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Moderator: Ladies and gentlemen, good day and welcome to the Shakti Pumps (India) Limited Q1 FY24 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing ‘*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rohit Anand from Ernst & Young LLP. Thank you and over to you.

Rohit Anand: Hi, before we proceed, let me remind you that this discussion may contain forward-looking statements that may involve known or unknown risks, uncertainties and other factors. It must be viewed in conjunction with our business risk that could cause future results performance or achievements to differ significantly from what is expressed or implied by such forward-looking statements.

To take us forward through the financial results and developments and to answer your question today, we have the senior management of Shakti Pumps (India) Limited represented by Mr. Dinesh Patidar – Chairman, Mr. Ramesh Patidar – Managing Director, Mr. Dinesh Patel – Chief Financial Officer and Mr. Ravi Patidar – CS and Compliance Officer. We will start the call with a brief overview of the past quarter by Mr. Dinesh Patidar followed by a Q&A session.

I will now hand over the call to Mr. Patidar. Over to you, sir.

Dinesh Patidar: Hello friends, good afternoon. Thank you everyone for joining us today. I welcome you all to today’s call. I am happy to inform you that we have done an approx. 60% growth in export business in which we have done total export revenue of Rs. 64.7 crores. We were working in Uganda project for the last 3 - 4 years and in that we have done a sale of \$1 million. This is the first step that we have taken in this project and in the coming time under second step, our plan is to take it to \$ 2 million then \$ 5 million and then so on. This is a total order of \$ 35 million and we have a plan to take it further in that way. The initial stage has started and all hurdles are over now, and the project has to be implemented directly in the field.

In this quarter we have received a dividend of Rs. 7.5 crores from our UAE subsidiary company. SECI’s tender is also finalized and we have got LOE status and we hope we will be able to do a good business in that in the coming times. The order which we are seeing from KUSUM and MNRE, will take around 7 days to 8 days more, as there were some issues regarding GST between SECI and MNRE, so after getting that clarity, the orders will start getting executed and at the end of the month we are seeing a possibility of good business in KUSUM.

Under EV business, we have done a tie up with a bus manufacturer and we are developing motors with them and our motors are on the roads which we developed earlier in our R&D under our

EV company and now slowly its sale will also start. Our team is ready for strong growth in the next quarter, everything is ready and we have planned very well and I want to tell you that in export the sales which we done of Rs. 65 crores has a growth of ~60%, we did a sale of Rs. 20 crores in DTA, we have made a sale of Rs. 23 crores in old orders of EPC which were with us for execution and from next month KUSUM is starting, so yes, we would like to assure our shareholders that we will be in a good position by the end of this year with good growth. Thank you, if you have any questions, then I am ready to reply and for financials I am giving to Dinesh Patel.

Dinesh Patel: Good afternoon. Revenue from operations stood at Rs. 1,131 million in Q1 FY24. Our export business registered revenue of Rs. 647 million and has continued to grow strongly by 59% Y-o-Y from Rs. 407 million in Q1 FY23. EBITDA for the quarter was at Rs. 79 million and EBITDA margin was at 7%. PAT for the quarter stood at Rs. 10 million. We have adequate liquidity and a strong credit profile backed by our stabilized market position on account of a robust distribution network and diversified product portfolio.

With our strong balance sheet and the key metrics, we are confident in the timely completion of KUSUM 3 orders and further consolidated our position in the market. With this now I request the moderator to open the floor for question and answer.

Moderator: Thank you very much. We will now begin the question and answer session. We have a first question from the line of Digant Haria from GreenEdge Wealth. Please go ahead.

Digant Haria: Sir my question is that recently polysilicon prices have fallen in China and due to that there is a little dismay in the panel manufacturing sector, so as you are saying that soon we are expecting KUSUM orders from other states also then due to this panel pricing can there be further delay or this time do you think delay will not be there? And second, is this panel pricing a complete pass through for you or you have to bear its benefit or loss?

Dinesh Patidar: Your question is very good, if you see our old records you will see the solar panel prices have increased gradually and we had to leave some orders of Haryana, so we have left some orders because that time rates also expired and solar panel prices also increased. Now solar panels price are also good and we are hopeful that we will get its profit because we are taking KUSUM forward, so we will go towards a good margin and we will be benefited from it. In the future if solar prices decrease more, then we are going to get its benefit.

Digant Haria: Secondly, it has been almost 4 years for this solar pumps and KUSUM scheme that small orders are being executed, but according to your experience do you think that other than KUSUM scheme the demand is increasing inside India? Or Like the EPC work done by Tata Power or Adani, so other than KUSUM scheme do you see any demands of this solar pumps?

Dinesh Patidar: Yes, of course, recently in KUSUM scheme they have a planning of total 6 lakhs pumps, the sanction which they have given, in that 6 lakhs pumps will be given for KUSUM only. And if

you are planning beyond KUSUM then yes, we were also trying to establish ourselves. For the last 4 - 5 years we were seeing there were some delays. First ESL tender was done, there was a delay of 2 years then Corona came, then again there was a delay of 2 years, then SECI came in this and then again some delay happened between SECI and the ministry. KUSUM is in its place, it is okay and we hope that when it gets started it will be much better and almost everything is lined up. In today's date if we look in KUSUM then I am confident that it won't take that long in the future. Yes, your question is correct that other markets will also develop, yes, it will develop slowly. Here our farmer's size is a little small, energy is free that is why he is not seeing cost-effectiveness in solar pumps. If energy was paid then he would have installed his own solar pump by financing it from somewhere. But big framers are getting diverted towards the solar pumping system and also getting converted and we feel that slowly that sale will develop but little time will take because sanctions happen but don't receive in time. The motivation of this scheme is very good, but it transfers to purchase in cash and that causes the delay once the government completely refuses and says that we will not give you solar pumps then it will be easy to convert big farmers, but it is okay it will take some more time, I feel that in 1.5 - 2 years business would be very different because from solar pumps the benefit is very much. From solar pumps customer shifts to micro-irrigation and receives its payback. Whereas diesel is concerned customer is already getting converted, they have started happening on their own and whereas electricity is concerned or where connection is not available yet there also we are focusing and we have put our team at that places to convert the farmers here where electricity is not available and haven't got connection since years, so this is the condition and slowly sale will develop here.

Digant Haria: My last question is, if this time in KUSUM 3 big orders come and suppose that every year we have to do the execution of nearly 1 lakhs pumps, then are we ready for that with the working capital and factory from our side?

Dinesh Patidar: Yes, of course we have. If you see that as KUSUM is lined up then we will work with speed. You would have seen the balance sheet, our balance sheet is also strong and we are fully prepared to easily install 1 lakhs pumps.

Moderator: Thank you. We have our next question from the line of Ankit from JHP Securities. Please go ahead.

Ankit: Sir how much would be our order book?

Dinesh Patidar: We can't talk about the order books right now because the rate contract that has been released from SECI in that we will get LOE and after that it will come into our hands, so after August only we can tell you how much order book is with us for KUSUM.

Ankit: Any estimated figures for the order book you can give?

Dinesh Patidar: Estimated value that I can tell you about the order book is that we will grow about 20% to 25% from what we have done last year and in the next 2 quarters we will do in a much better manner.

- Moderator:** Thank you. We have our next question from the line of Nirav Asher from Latin Manharlal Securities. Please go ahead.
- Nirav Asher:** As you told that you can give details for KUSUM 3 orders afterwards only, so can you tell something about Maharashtra, the tender which happened for 2 lakhs, 2.5 lakhs pumps for Maharashtra? What is its current status?
- Dinesh Patidar:** That 2 lakhs, 2.5 lakhs pumps tender which happened, in that again that price problem was there due to which that discontinued and it has been closed now. We were leader in that and about 40% to 42% pumps are installed by us in entire Maharashtra.
- Nirav Asher:** According to you, once full clearance comes from SECI, then there should not be any problem regarding the KUSUM 3 regarding the 6 lakhs pumps?
- Dinesh Patidar:** Yes, absolutely there will be no problem in that.
- Nirav Asher:** And that should be executed within next 2 years right?
- Dinesh Patidar:** Right.
- Nirav Asher:** And sir wanted to ask regarding supply side, the prices of the solar panel which has reduced now will we get the benefits of the reduced prices? Margins will improve going ahead?
- Dinesh Patidar:** Absolutely, you will see that we will only get its full benefit. The last order which we left which was of Haryana was because we were not getting any margins in that.
- Nirav Asher:** Sir do we have the enough man power to render such a big opportunity which is going to come ahead in next 2 years to 3 years?
- Dinesh Patidar:** Definitely. Everything is ready.
- Moderator:** Thank you. We have our next question from the line of Ram Shridhar from Madhuram Capital. Please go ahead.
- Ram Shridhar:** Sir I have doubt on KUSUM 3 Yojana, so can you tell me approx. figure, how much profit we can make per pump?
- Dinesh Patidar:** We will make good margin in that. You would have seen last year and before last year we have done a great work. We will work on approximately 10% **PAT** and will try to go much beyond that.
- Ram Shridhar:** Can you tell me some numbers like 1 lakh pumps something like that?
- Dinesh Patidar:** In numbers, if everything is streamlined then we can easily install 1 lakh pumps.

- Ram Shridhar:** Then I think you are telling in 2 years we will be installing all 6 lakh or 8 lakh pumps?
- Dinesh Patidar:** No, I am not telling like that. Total quantity is of 6 lakh pumps and from that our program is to install 1 lakh pumps in next 2 years.
- Moderator:** Thank you. We have our next question from the line of Harshil Solanki from Equitree Capital. Please go ahead.
- Harshil Solanki:** Sir I have multiple questions, sir this quarter how many pumps have we installed under KUSUM 2?
- Dinesh Patidar:** This quarter our total sales were Rs. 23 crores according to the revenue.
- Harshil Solanki:** Sir volume of pumps?
- Dinesh Patidar:** If you are asking about total KUSUM then we have denied KUSUM earlier, so in KUSUM our last order book was for 700 pumps which we have supplied last.
- Harshil Solanki:** So this quarter approx. 25,000 pumps have been installed in KUSUM 2 and your peers also have not installed that much, so exactly who is installing all these pumps in PM KUSUM and how are they affording to install that?
- Dinesh Patel:** Site updating takes time, otherwise there are no other players who are working. Major work of KUSUM 2 has been closed and everyone is focusing in KUSUM 3.
- Harshil Solanki:** Sir in Q1 25,000 pumps have been installed, it is showing in web portal?
- Dinesh Patidar:** Yes, data is showing in Q1 25,000 pumps were installed. In olden times data did not come automatically, but now system has developed, slowly everything is being digitalized. Earlier it was not possible through portals now slowly it has started happening, so previous data also would have come in this portal for this quarter.
- Dinesh Patel:** Total quantity 165,433 has been installed in KUSUM 2 till June, out of that we have installed 34,828.
- Harshil Solanki:** That means small players are also installing if we are not installing, is there anything like this?
- Dinesh Patidar:** Yes, when we denied, others have done some work.
- Harshil Solanki:** Sir, at the standalone entity we have reported a profit of Rs. 4 crores and if you see at consolidated level then you will see Rs. 1 crores profit is reported, so there has been a loss somewhere in subsidiary that also in domestic business, so what is that loss for and from which subsidiary has it been reported? Can you please clarify it?

- Dinesh Patel:** Actually, in India we have only 2 subsidiary one is Shakti EV Mobility in which we are doing work of EV and other subsidiary is Shakti Energy Solution in which we do structural works in which KUSUM scheme whatever structure is there it is supplied from that subsidiary. Currently it has no order that is why it has a nominal loss.
- Dinesh Patidar:** But is not a very big loss. It is a loss of Rs. 30 lakhs.
- Harshil Solanki:** But, sir numbers are not matching if you check standalone and console?
- Dinesh Patel:** The number that you are seeing is actually formula based, I will share details with you.
- Dinesh Patidar:** We will share with you.
- Harshil Solanki:** Sir you are saying that we will get LOE within 7 days-8 days and execution will also start, so is it for any particular state or our execution will start all across India together in different states?
- Dinesh Patidar:** Each state does LOE separately.
- Harshil Solanki:** So we will get for one state in August month?
- Dinesh Patidar:** Major state LOE is ready as soon as the clarification comes from GST all of it will get started.
- Harshil Solanki:** So in Q3 can we assume that all the big 4 - 5 states will start their execution programs in full swing?
- Dinesh Patidar:** Yes.
- Harshil Solanki:** Sir roughly how many pumps will be required when this will start execution in full swing on quarterly basis?
- Dinesh Patidar:** See, the total figure that you are seeing, the numbers are very high, but we have to do only 1 lakh pumps, but we are confident that every month we can easily install 10,000 pumps to 15,000 pumps.
- Harshil Solanki:** Every month 10,000 pumps to 15,000 pumps?
- Dinesh Patidar:** Yes.
- Harshil Solanki:** Last question, our non-solar business which we do like industrial pumps and all, how is it going? How was it in Q1? And how do you feel next?
- Dinesh Patidar:** In that also we have increased our team and in that we have added some products, we have added products for fire-fighting in that phase in which we are hoping of getting good business, so

something is going on that too and in that we are doing growth only and in the coming times also we will do growth.

Harshil Solanki: Lastly, in September we will start our execution for KUSUM 3 marginally and will start majorly in Q3?

Dinesh Patidar: By the August end when we feel that as soon as GST matter is cleared we will start our work.

Moderator: Thank you. We will take our next question from the line of Parth Mehta an Individual Investor. Please go ahead.

Parth Mehta: I have 2 - 3 question in which first you said that we have a non-solar business that is also growing, sir I want some numbers like how many pumps have we installed in non-solar in last quarter?

Dinesh Patel: Are you asking about non solar?

Parth Mehta: Yes non solar.

Dinesh Patel: Non-solar or non-KUSUM?

Parth Mehta: Non solar. Non KUSUM is also there, but you tell about non solar?

Dinesh Patel: In non-solar it is around 25,000.

Parth Mehta: Earlier our non-solar business used to be roughly around Rs. 100 crores quarterly from export, so are we going to get back to that number anytime soon? Or KUSUM is eating up into our non-solar business as well?

Dinesh Patidar: No, both are different businesses, if you see that in solar business also growth has happened and domestic also we are increasing our range, so more than Rs. 100 crores sale will come in the future.

Parth Mehta: I was asking quarterly? Quarterly should be more than Rs. 100 crores?

Dinesh Patidar: Yes.

Parth Mehta: In Uganda we have done an execution of \$1 million approximately Rs. 8 crores, Rs. 8.5 crores in this quarter, so you have told that it is a phased execution, so in this quarter how much \$ 2 million or \$ 5 million? I didn't understand that number?

Dinesh Patidar: In this quarter we will be able to do around \$ 2 million. We are doing it step by step because Uganda is a country where we have to do the work step by step and getting experience and we are going forward.

- Parth Mehta:** So, have we finalized on another African country like Ghana or something like that?
- Dinesh Patidar:** Yes, in this after taking experience, we are in final stage in 2 - 3 other countries, so after getting its experience we will focus in business in African countries.
- Parth Mehta:** Sir you told that under KUSUM 2 we have executed 700 systems in the past quarter for Rs. 23 crores, is that number correct?
- Dinesh Patidar:** Yes, it is correct.
- Parth Mehta:** And my last question is that what is the GST discrepancy for our KUSUM 3, like you told 7 to 8 days delay is there, so?
- Dinesh Patidar:** Actually this tender has been done by SECI and SECI handles power project, so in power project 18% GST is there because they are services and since ours is solar pump, so ours 30% is services and 70% is our product, so the guidelines which GST department gave us in earlier years was to charge 13.9% GST, but someone wrote to the ministry of finance department for the clarification regarding such confusions, like how much should be the GST. As you know that in our country how hard is it to get reply and have to get reply from GST that how much GST would be there in this product.
- Parth Mehta:** So you think that this GST matter should be resolved in 7days-8 days?
- Dinesh Patidar:** Yes.
- Parth Mehta:** So which is the state from where we are supposed to get LOE, the one which we have suspended from Haryana, is it the same?
- Dinesh Patidar:** Yes, absolutely you guessed it right. Market gets the information first before us.
- Parth Mehta:** So, sir how big it would be? May be Rs. 300 crores order?
- Dinesh Patidar:** One order was of Rs. 380 crores. Everything has converted.
- Parth Mehta:** So it will be semi only?
- Dinesh Patidar:** Currently they have started taking it in a big way. Haryana is going to do it in a much better way.
- Parth Mehta:** So the order which we will get for Haryana will be more than Rs. 380 crores whichever is the said that we are waiting for?
- Dinesh Patidar:** Yes, definitely.
- Parth Mehta:** Sir in September our 1 month execution will be there in second quarter?

- Dinesh Patidar:** Yes.
- Parth Mehta:** All the states like Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Chhattisgarh wherever our leadership is there after getting the GST issue solved everything will come all together from every state, you told like this?
- Dinesh Patidar:** Yes, absolutely.
- Parth Mehta:** So I am expecting that the second half of the year should be like we have to do 1 lakh pump for the whole year and you told that we will do 10,000 pumps in 1 month, so I understand that we will be able to do 60,000 or 70,000 systems we should be able to do in the second half?
- Dinesh Patidar:** Yes, absolutely. You have done a good calculation.
- Moderator:** Thank you. We have our next question from the line of Ketan Athavale from Robo Capitals. Please go ahead.
- Ketan Athavale:** Sir what will be our revenue and margin guidance for FY24 and FY25?
- Dinesh Patidar:** We are planning for approximately 20% to 25% revenue growth, and we will try to increase it more.
- Ketan Athavale:** And margins?
- Dinesh Patidar:** EBITDA margin is 10%.
- Moderator:** Thank you. We have our next question from the line of Ashok Sachdeva an Individual Investor. Please go ahead.
- Ashok Sachdeva:** Hello, our capacity is 5 lakh pumps as what is showing in your site, but every month how much execution can we do? Supposing we are going to get lot of orders, so maximum how much can be executed in one month? How many pumps?
- Dinesh Patidar:** According to this we can install 10,000 pumps to 15,000 pumps monthly and when any system is running regularly then, when train is started bogies keep on adding very well, but adding 1 bogie after the engine takes some time then less time is taken for second then in third much less time is taken. So what happens is, when we go for installation then in field for creating godown C&F agent is required, installer is required then the system is required, then training is required for the people there and once that ecosystem is developed then in that channel there is no problem in increasing the quantity. Production capacity is already there.
- Ashok Sachdeva:** We can do production, but for installation I wanted to know the time only because elections are coming and before election many orders will come?

- Dinesh Patidar:** Before this election many orders will come and there should be no effect due to the election because it is already decided.
- Ashok Sachdeva:** That is fine but before election government pressures will be on you like you can execute as much as you can, so that farmers will be happy? That why there has been a delay in MNRE approval because if it is given now then farmers will forget after getting it?
- Dinesh Patidar:** Right.
- Ashok Sachdeva:** So, you do a minimum of 30,000 pumps quarterly?
- Dinesh Patidar:** Yes, definitely.
- Moderator:** Thank you. Next question is from the line of Ajay Surya from Niveshaay. Please go ahead.
- Ajay Surya:** Sir I wanted to ask about the GST issue which you are saying will be solved within 8 days to 9 days, if this issue is not solved then in KUSUM Yojana we are saying that we can do 10,000 pumps every month, will it have any effect?
- Dinesh Patidar:** No, not at all, just a small clarification is there. It has stopped only because a small confirmation is required and I think within 1 or 2 days its reply should come and work will be started.
- Ajay Surya:** So that means you are saying that due to GST issue there will be no effect on our realization for 1 pump of Rs. 3.5 lakhs or Rs. 3.25 lakhs?
- Dinesh Patidar:** Absolutely.
- Moderator:** Thank you. Next question from the line of Chetan Dhruva an Individual Investor. Please go ahead.
- Chetan Dhruva:** Sir I had 2 questions, first question, I just wanted to check the context of the competition that you have because of the delay in the KUSUM orders over the last 1.5 years. Have you seen some of your competition like KSB and Kirloskar Brothers, all those people actually also having developed their own pump systems and they say they want to enter this space and they have said they want to do this in a big way, so do you see any impact of that in terms of your market share or KUSUM shares?
- Dinesh Patidar:** No, nothing is going to happen. Total sanction quantity is for 857,000 pumps. I would say KSB to come as soon as possible then market will develop, then our sales will also develop. I want good players to come and compete and due to that farmers can get the visibility which we struggle hard to show them, so that can be shown and it will be nice only and you will be happy to know that whether it be KSB or any other company whose name you have taken, Shakti Pumps performance is more by 20% to 30% from them, so we are always going to be ahead of them, there is no need to be worried of that.

- Chetan Dhruva:** Sir my second question was on the margins, but that you have already mentioned that you will do 10%? Sir third question I had was this capacity, your capacity was 5 lakhs pumps per annum right and if you are doing 10,000 pumps per month it will still be a fraction of what you are capable of, is that correct, sir?
- Dinesh Patidar:** No, our installation capacity of 10,000 or 15,000 pumps is a different ecosystem of EPC, we are talking about installing the pumps. If you have to do manufacturing then we can easily manufacture 5 lakhs pumps in today's date.
- Chetan Dhruva:** So you are saying of whole EPC from setup till end? But your pump supply can be more till 5 lakhs? And specifically on the pricing in last call you said that average price is around Rs. 2.8 lakhs to Rs. 3 lakhs per pump, is that still holding good even with the new KUSUM scheme?
- Dinesh Patidar:** Yes, in that margin has increased.
- Moderator:** Thank you. We have our next question from the line of Jatin Koradia an Investor. Please go ahead.
- Jatin Koradia:** Sir my question is also relating to margins like the discussion which you are doing with states for LOE, is it regarding margins or we are waiting for increased pricing apart from GST or the price will remain same as the prices that we executed in this quarter EPC pumps?
- Dinesh Patidar:** No, Jatin your question is very good, let me make it more clear, we have received new KUSUM rates with an increase in price of 20% as compared to the old KUSUM rates and it is because of the raw material as raw material prices increased a bit and 20% price increase is also there, so we will get its benefit and we were paused so as to work in new prices because there was no benefit in working on that. Yes as the rates have already decided, rates are already finalized, and after GST clarification our sale will start.
- Jatin Koradia:** About this GST clarification, because we have been waiting for last 2 months, so are you hopeful that it will happen in 1 or 2 weeks? Any information relating to this?
- Dinesh Patidar:** Yes, I am very much hopeful and next week I am going to MNRE, I will go and sit there and clear everything with MNRE, full efforts are going on.
- Moderator:** Thank you. We have our next question from the line of Sanjay Kumar from ithought PMS. Please go ahead.
- Sanjay Kumar:** In the investor presentation you have mentioned that Shakti EV Mobility has successfully developed EV motors and EV controllers, can you talk about this, what is the technology of the motor? Is it BLDC or PMSM or the newer synchronize electric motors some kind of selective motors? What is the market currently and what market share you are targeting?

Dinesh Patidar: Currently our company is in development stage, for construction building work and civil work is going on, but we have started our product development work long ago. We have experience of making motors for induction motors, BLDC motors, PMSM motors and we have already developed all these motors. You will be very happy to know that we already do controller manufacturing in our company, so already our 175,000 controllers are running in India which is a matter of pride for us. We have already developed technology.

Sanjay Kumar: Under which segment, sir is it 2 wheelers or 3 wheelers?

Dinesh Patidar: We have developed under 2 wheelers and in 3 wheelers it is under development. We have developed and released for 2 wheelers in market. And regarding 1,75,000 controller it is solar controller, means it doesn't matter whether it works on battery or solar panel, technology is almost same, but yes, money goes in development and time is gone in development. So we have developed a lot in that and already company is in-house and work is going on, and there are many engineers from IIT Delhi, IIT Mumbai and other IITs are working on R&D and more than 28 patents are there and we have done a lot of work in the controller.

Sanjay Kumar: When will this plant be ready?

Dinesh Patidar: Another 1 year or 1.5 year more will go.

Sanjay Kumar: In this how much will be the share of bought out items both in motor and controller? How much do we buy and assemble or do we make everything by ourselves?

Dinesh Patidar: In controller, the bought out items are chip, PCB, IGBT, resistance and this technically which is used in power electronics is there, we do the assembly of the SMT line in-house only, do the designing in-house this is regarding controller. We make motors in-house, we have a stamping machine with us, we do machining ourselves and only bought out items are aluminum in box or aluminum components are bought out items, rest all is an in-house process.

Sanjay Kumar: Sir you also mentioned few companies have endorsed our products, is it possible we can name those companies?

Dinesh Patidar: We have NDA with them otherwise our motors are on road now. Already 400 buses are on roads with our motors.

Moderator: Thank you. We have our next question from the line of Dinesh Nagda from Harsh investment. Please go ahead.

Dinesh Nagda: Hello, sir. Please give some update regarding solar panel? Earlier it used to be 28 per watts, so now what is the current pricing? Any clarification on that?

Dinesh Patidar: In solar we have 2 types of technologies were available one was mono and other poly. Earlier the specifications which were there in that we have to put poly, poly technology became old,

slowly that technology is getting over and its manufactures are also not working on it and the efficiency of mono has improved and due to the improvement in efficiency the size of panel has little bit increased and panels wattage has increased, efficiency has increased, so customers space will be saved, 24% space will be saved. He will put poly panel versus mono panel, so approximately, in 24% less space he can put more panels and whereas price is concerned, yes price is now stabilizing slowly and I understand that what we have to supply is mono. Mono has to be supplied for the first lot.

- Dinesh Nagda:** The pricing will be almost same or will be little less or more?
- Dinesh Patidar:** Currently it depends on demand and supply. In the future, poly will not be available and mono will be available and in this tender DCR cells is required and capacity is available in India and we are getting everything from them.
- Dinesh Nagda:** So Adani or whatever tie ups for the solar, I think now there is no problem there that is everything is normalized?
- Dinesh Patidar:** No problem is there just after getting GST clearance we will start our work.
- Dinesh Nagda:** Sir in the last call you told us that now we will be open to OEMs, so sir our focus is that we will supply to the compositions as well?
- Dinesh Patidar:** Yes, definitely we will do.
- Dinesh Nagda:** Can you tell like up to how many numbers sale can happen in OEMs?
- Dinesh Patidar:** Once it gets started, after getting MOU and after tie up we will go ahead.
- Dinesh Nagda:** Sir can you please brief upon our new EV company regarding exactly what is our vision and how are we moving forward?
- Dinesh Patidar:** We will take it step wise and we have started working on priority number 1 and priority number 2 in this. We are assuming that this total project of Rs. 250 crores have to be invest in next 4 years. In this Rs. 50 crores will be Shakti Pumps equity and we will arrange the rest of the finance separately. And in this we will make EV motors for 2 wheelers, 3 wheelers and 4 wheelers and make motors for buses and from that we have started selling out 2 wheelers motors, we have already started 3 wheelers from 2 years, 3 years we were testing the market gradually. So by the time this plant is ready, we will have a good customer with us, with this purpose we have started this.
- Dinesh Nagda:** Sir our 2 - 3 pilot projects were there of railways and other, any fruitfulness from that, means is there any chance of going forward in that?

Dinesh Patidar: Yes, we are going forward. We are working on that, and with team is also doing well on that and definitely we feel we will go forward in that.

Moderator: Thank you. We have our next question from the line of Forum Makim from JHP. Please go ahead.

Forum Makim: Sir we have been talking about this KUSUM scheme for a long time that it will happen and implementation is not starting. We know the intention is there, but when we are seeing in SECI then tenders are coming for wind energy, solar energy, allotment is being done to, bidding is being done, so why is it stuck with this solar pumps?

Dinesh Patidar: This is a nice question and worth a multi-dollar question and I will answer this, first there is ESL did tender 1 and tender 2 and you know all the mess that happened there like what and how has happened there. Now SECI has handled it in a very good manner and in the coming time we feel that it will be done in a much better manner. In India nobody has done this kind of pilot projects like what we are going to do in KUSUM scheme because in this the DISCOM companies who are going to supply power are giving subsidy as much as it takes them for connection, so their benefit is also there, state governments benefit is also there and central government's and customers benefit is also there. All three departments benefit is there, but all three departments used to have issues regarding rate. SECI itself is an independent power that it can allot its tender, but in this scheme the power is with MNRE that is why little delay in correspondence to SECI will come because ministry has other works also, so if SECI is responsible to handle the whole tender or full decision making is with him then the way he is doing in wind and doing in rest of the solar power plant, in that manner only this scheme will come to SECI and SECI will take it forward. In the coming time as soon as more experience comes, there will be more improvement in it. You must be seeing that to make KUSUM successful earlier 1 lakh pumps tender came, then 3 lakh pumps tender came and now 8 lakhs came and slowly numbers are increasing and it was a good pilot project that is why time has also taken.

Forum Makim: But already it has been 6 months and already 2 years has been washed out for KUSUM, is it something that DISCOM will have loss of revenue or that is why things are not progressing? Is there any issue like this?

Dinesh Patidar: No, there are no such issues. See I can answer you regarding my company that we are doing everything by planning very well, but when will ministry approve the rates and when will SECI do the tender and how much time will it take it is their area and they have to do much better in that, this is all we can expect from them.

Forum Makim: Earlier also we told that we have received LOE and are going to receive and all that, but our work was not started, so this time what is giving you the confidence that this time work will start, means we have been hearing this for many quarters that it will happen, but if it comes from all the states together then only we as a company will be benefited? At least those 3 - 4 major

states, so what is giving you the confidence at this point that this will happen this time within the next say 1 quarter or 2 quarter?

Dinesh Patidar: It has already happened, now only GST matter has to be done and if GST clarification comes for putting 18% GST then also our company will be benefited and if 13% has to be applied then also our company will be benefited, doesn't matter.

Forum Makim: Any other regulatory issues are not there?

Dinesh Patidar: No issues yet.

Forum Makim: And, sir regarding Uganda, we have started, so from now onwards what numbers can we expect every quarter?

Dinesh Patidar: In the previous speech I told you that we have done a business of \$1 million and next our plan is we will turn a cycle of \$2 million and as soon as it is completed then will take it towards \$ 5 million and slowly we will move on. That is a new experience for us, it is not like that we will go very fast, but we will move slowly. In the next quarters, you will see good sales in that.

Moderator: Thank you. Ladies and gentlemen due to time constraint that was the last question for today. I now handover the call to Mr. Dinesh Patidar for closing comments. Over to you, sir.

Dinesh Patidar: Thank you everyone for coming and listening everything. I have tried to answer all of your questions. I and my team are confident that in the coming future we will give a good returns to our shareholders. Thank you very much.

Moderator: Thank you. On the behalf of Shakti Pumps India Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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