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SHAKTI

PUMPING LIFE



SHAKTI PUMPS



Shakti Pumps

Key Triggers:

- Revenue is expected to grow at a 27% CAGR, primarily driven by replacement demand for ageing pumps and new demand supported by PM-KUSUM 2.0. The upcoming scheme represents a step-change in scale rather than a mere extension of PM-KUSUM 1.0, with the proposed outlay increasing 66% to ₹50,000 crore from ₹34,422 crore under the previous phase. While the detailed component-wise targets and operational guidelines were still awaiting formal notification at the time of this thesis, the higher budget allocation indicates a significantly larger addressable opportunity for the solar pump industry.
- Backward integration and operating leverage will improve margin by 4-5% as Shakti's move into in-house solar DCR cells/modules (0.5 GW capacity targeted for Q1 FY27, scaling to 2.2 GW) and improvement in scale. It will improve margin from the last quarter's 10% to 14-15% by 2028 due to this.
- Long-term optionality is: Shakti has entered the solar rooftop business, which is riding the same policy tailwind as PM Surya Ghar: Muft Bijli Yojana, and has a wholly-owned EV subsidiary (Shakti EV Mobility) building motors and controllers. Both are early-stage and not yet material to revenue, but they matter strategically.

Valuation & Outlook:

Shakti's growth case is backed by a still-early-innings replacement TAM, a subsidy structure that keeps demand evergreen, and a PM-KUSUM 2.0 outlay increase that extends the scheme runway well beyond PM-KUSUM 1.0. Against this, near-term margin visibility is genuinely mixed: the Company is simultaneously absorbing backward-integration capex, due to which asset turnover will reduce in the near term, but it will improve margins over time. Additionally, raw material price issues compressed FY26 EBITDA margin materially from its FY25 peak, both of which are more plausibly multi-quarter overhangs than one-off resets.

At the CMP of ₹494, Shakti Pumps trades at 8x FY28E EV/EBITDA, with a target price of ₹654. We believe the valuation is justified, supported by a strong upcoming order book, healthy replacement demand, the potential rollout of PM-KUSUM 2.0, and improving margins driven by enhanced manufacturing capabilities and deeper vertical integration.

Stock Information

CMP (₹)	494
Market Cap (₹ Bn)	61
52 Week H/L (₹)	915 / 456
O/S Shares (Cr)	12.3
Free Float (%)	42%
1M Avg Vol (shares)	439,100
Face Value (₹)	10

Shareholding Pattern (%)

Category	Jun-26	Mar-26	Dec-25
Promoters	50%	50%	50%
FII / FPI	5%	5%	5%
MF / DII	2%	5%	6%
Public	42%	40%	42%

Stock Performance

Period	3M	6M	1YR
Return	-15.00%	-5.00%	-40.00%

Financials	FY25	FY26	FY27E	FY28E	FY29E	Key Ratio	FY25	FY26	FY27E	FY28E	FY29E
Revenue	2516	2698	3470	4381	5483	P/E (x)	29	23	36	22	14
EBITDA	596	422	382	635	932	EV/EBITDA (x)	9	13	14	8	6
PAT	401	258	171	275	440	RoE (%)	35%	15%	9%	13%	17%
CFO	12	124	104	188	349	RoCE (%)	33%	15%	7%	10%	13%
EPS (Rs)	34	21	14	22	36	Net WC days	134	146	136	136	136



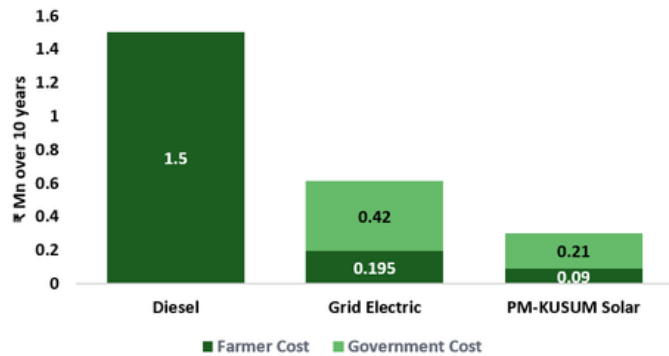
Shakti Pumps

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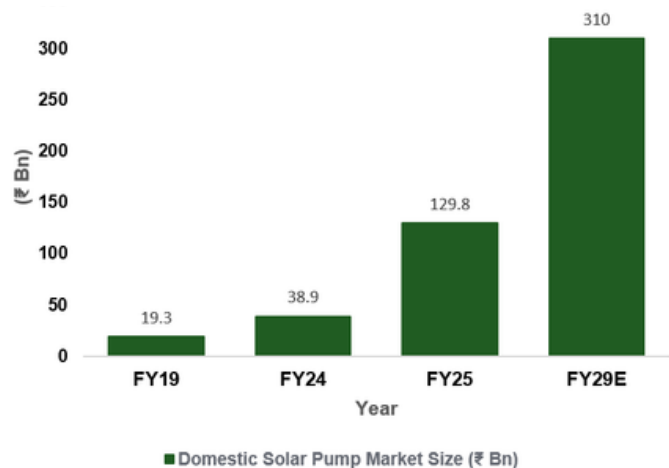
Story in charts

A solar pump cuts the 10-year total cost of irrigation to roughly one-sixth of diesel: shifting from diesel saves the farmer ₹0.8–1.4 Mn over ten years, which is the entire demand case in one number.



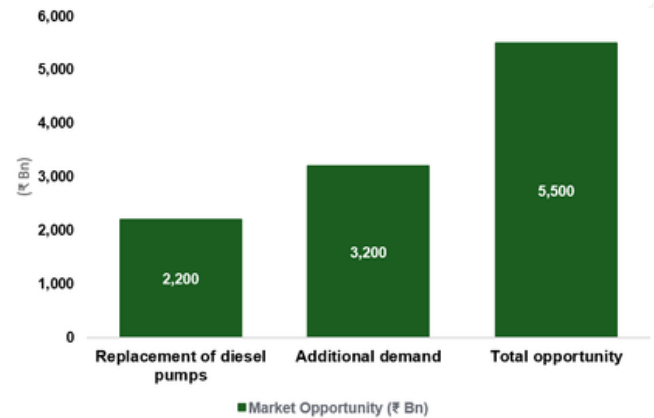
Source: GK ENERGY, DRHP

India is the violent part of the curve: The domestic solar-pump market at ₹338 Cr in FY19, ₹4256 Cr in FY24 and ₹17460 by FY29 – a 52% CAGR driven almost entirely by policy execution.



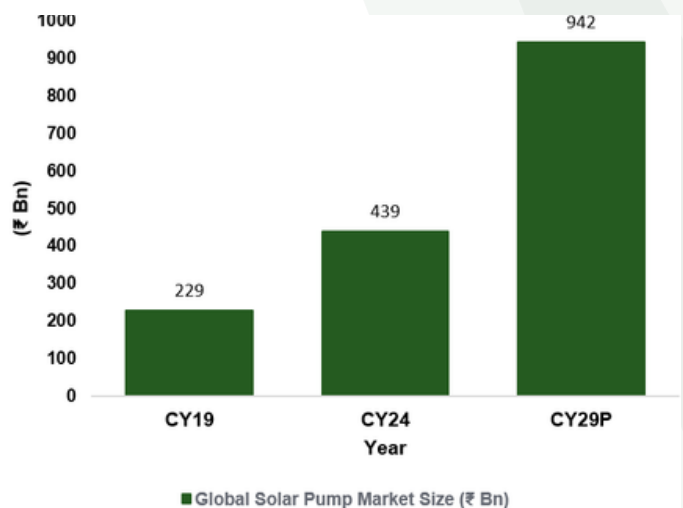
Source: GK ENERGY, DRHP

Management sizes the ceiling at ₹5,500 Bn: 8–9 Mn diesel pumps to replace plus 12–13.5 Mn incremental solar pumps for farmers with no pump access at all – a decade-plus of demand even if only partly real.



Source: SPIL IP Q4FY26

The global solar pump market compounds at 14–16%: ₹22900 Cr CY19 → ₹439 Bn CY24 → ₹942 Bn projected by CY29 – the export opportunity rides the same diesel-replacement logic worldwide.

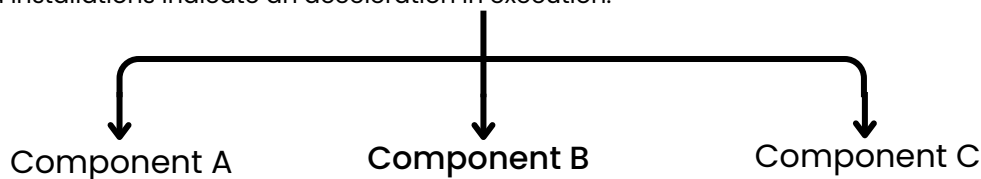


Source: SPIL IP Q4FY26

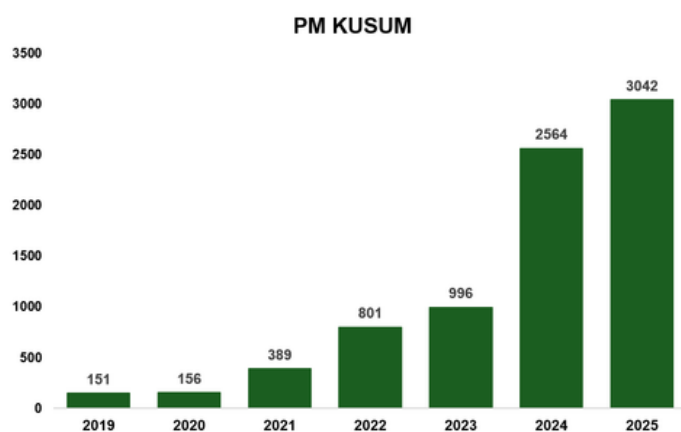


Story in charts

If diesel replacement is the “why”, PM-KUSUM is the “how” – converting farmer demand for lower-cost irrigation into government-backed solar pump tenders. Component B is the key addressable market for solar pump manufacturers, while rising sanctions and installations indicate an acceleration in execution.

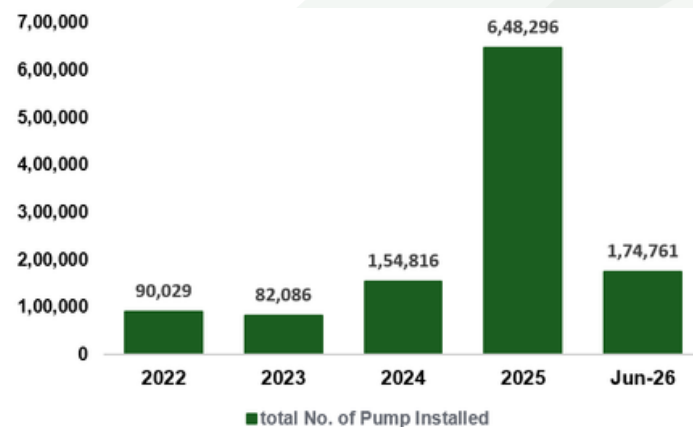


The funding pulse is accelerating, not fading: central sanctions for PM-KUSUM rose from ₹151 Cr (FY19) to ₹3042Cr (FY25) – a 6.4x increase that pre-funds the tender pipeline.



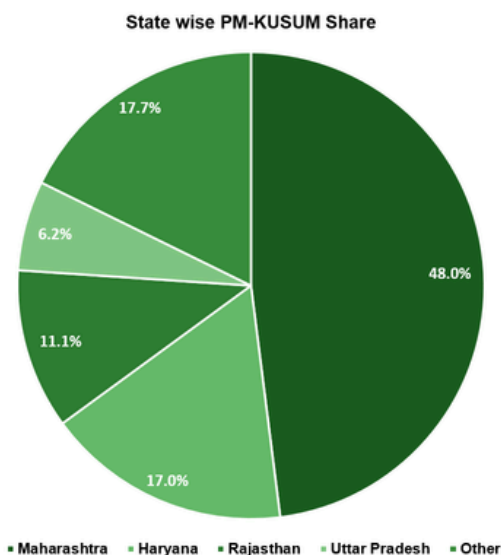
Source: pib.gov.in

Execution peaked in CY25, with 6.5 lakh Component-B solar pumps installed after the installed base remained below 4 lakh for the previous five years.



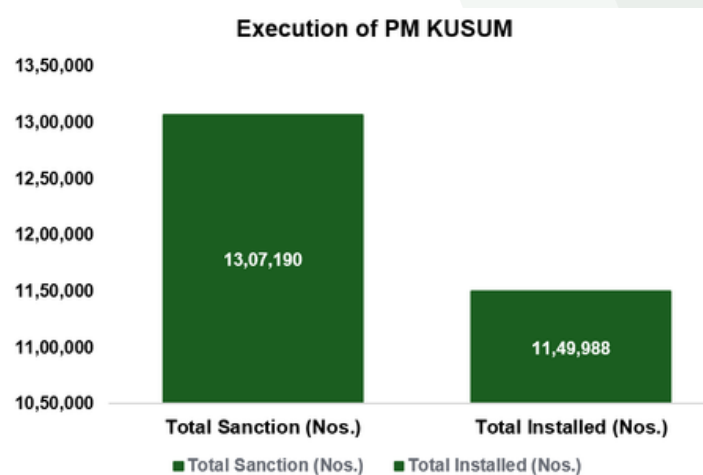
Source: GK ENERGY DRHP, Rajya Sabha

Three states are the whole game so far: Maharashtra (48%), Haryana (17%) and Rajasthan (11%) account for 76% of all Component B installations.



Source: National Portal of PM KUSUM

Even after the huge surge in FY24-26, only 88% of sanctioned Component B pumps are installed as per June, 2026 – and Government target to replace whole the need of Diesel Pump by the PM-KUSUM.

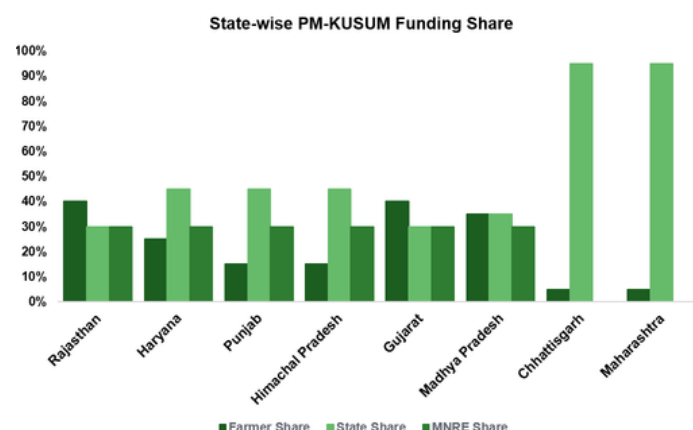


Source: National Portal of PM KUSUM

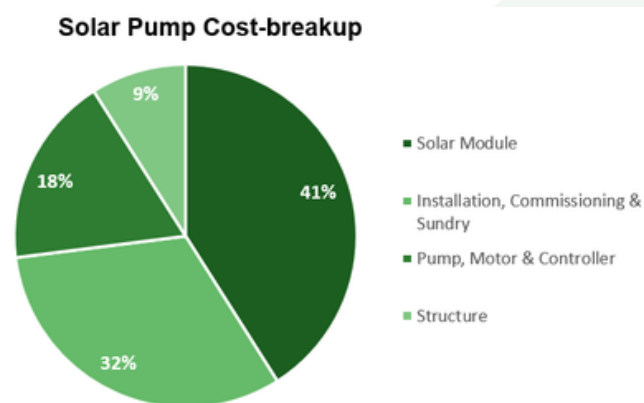


Story in charts

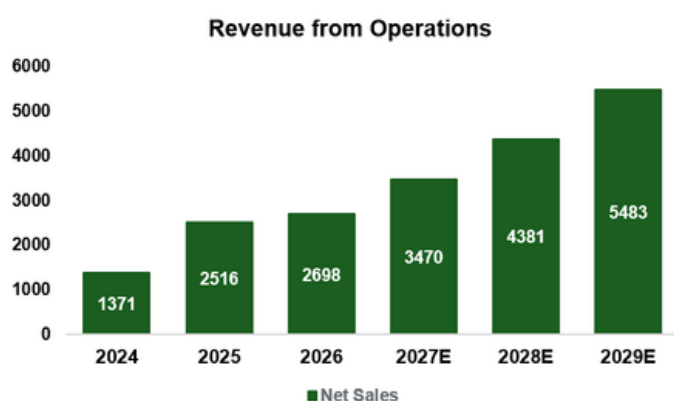
Farmers typically bear only 10-40% of the system cost, with the balance funded by the Central and State Governments, making demand largely subsidy-driven at sanctioned prices.



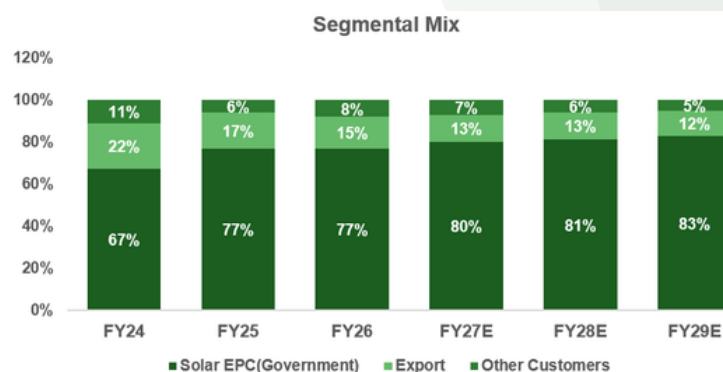
Solar modules constitute the largest cost component at 41% of the bill of materials, followed by installation & EPC at 32%, while the pump-motor-controller assembly accounts for only 18%.



Revenue growth has been primarily driven by the PM-KUSUM scheme. Going forward, the company is expected to deliver a 27% revenue CAGR, supported by the implementation of PM-KUSUM 2.0.

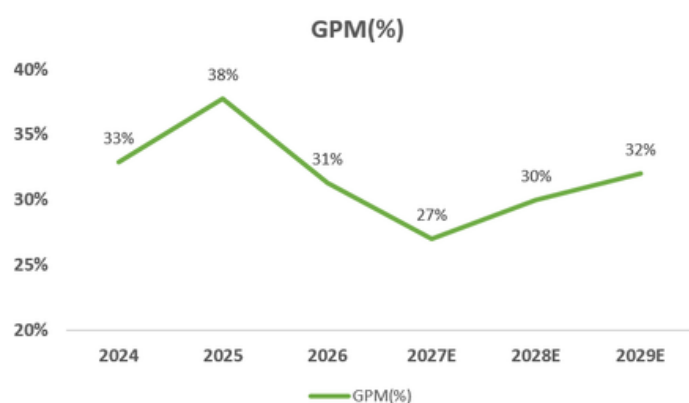


The Solar EPC segment has witnessed a significant increase in its revenue contribution and is expected to remain the primary growth driver, supported by continued execution under the PM-KUSUM scheme and the rollout of PM-KUSUM 2.0.

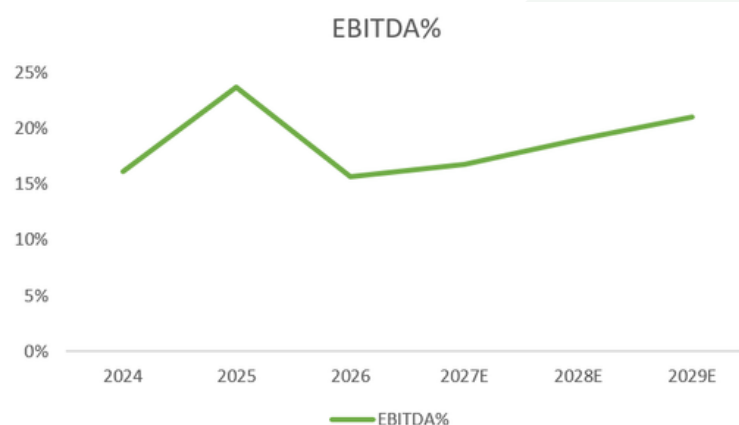


Story in charts

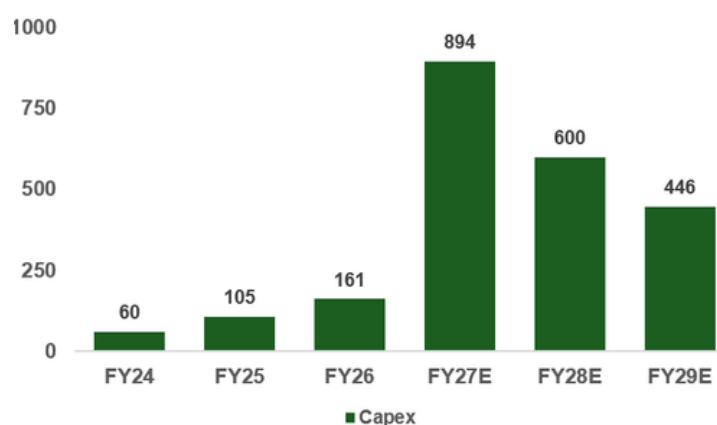
Gross profit margin declined significantly in FY26 due to lower raw material prices and weak realizations. Going forward, margins are expected to improve, supported by backward integration and operating leverage.



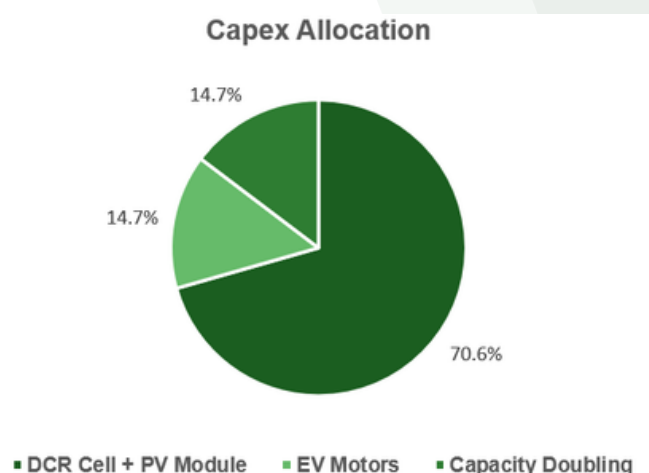
EBITDA margin declined over the last two quarters as a higher proportion of costs shifted from gross profit to operating expenses. As utilization improves and operating leverage kicks in, EBITDA margin is expected to recover gradually.



Capex remained modest until FY26. Over FY27E-FY29E, the Company plans to invest around ₹1,800-2,000 Cr in backward integration which is expected to enhance margins and reduce dependence on external suppliers.

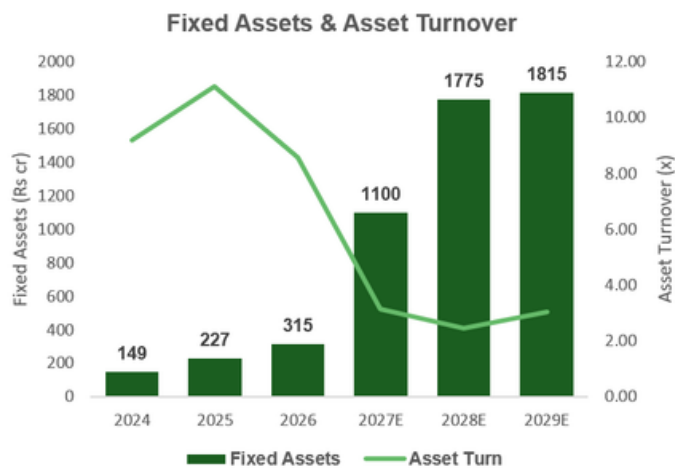


Capex allocation is largely focused on DCR solar cell & PV module manufacturing (70.6%), with the balance earmarked for EV motors (14.7%) and capacity expansion (14.7%), supporting backward integration and future growth.

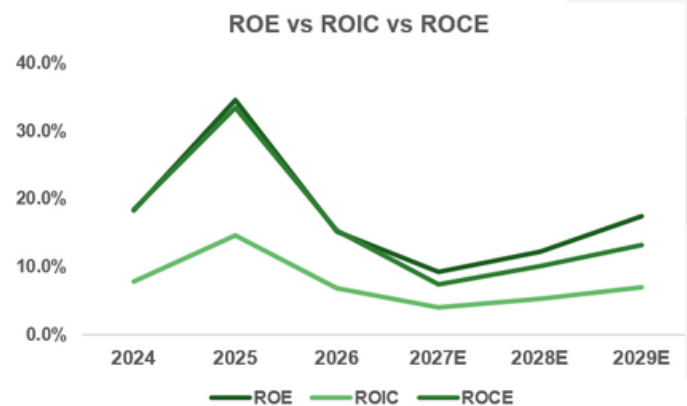


Story in charts

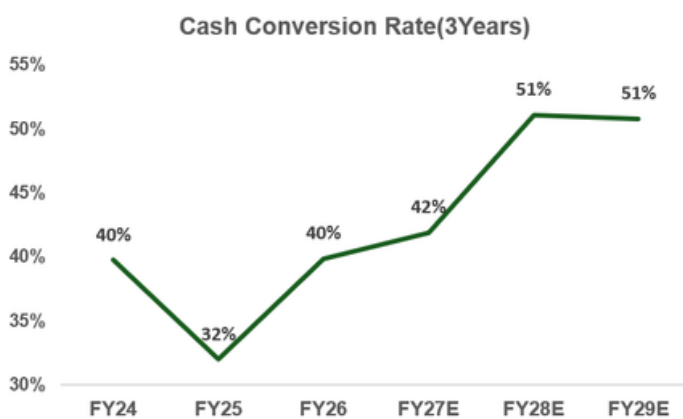
Fixed assets are expected to increase significantly over the next few years, driven by the Company's backward integration capex. Consequently, asset turnover is likely to decline in the near term as new capacities are commissioned, before improving gradually with higher capacity utilization.



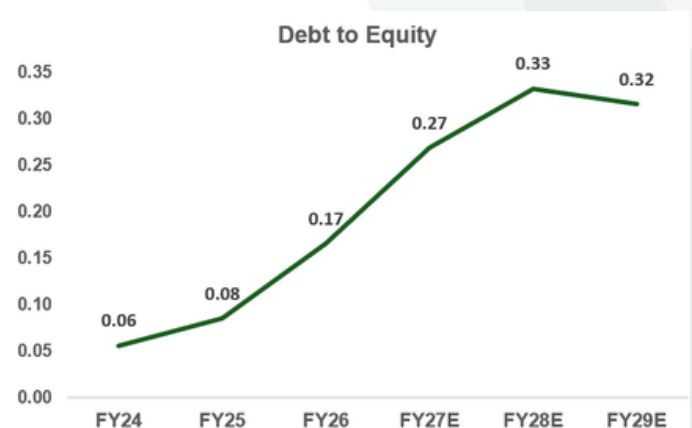
ROE, ROIC, and ROCE are expected to remain under pressure in the near term due to the significant capital investment and lower asset utilization during the initial phase of backward integration.



Cash conversion has historically been constrained by the government-driven payment cycle. However, it is expected to improve steadily and stabilize at around 60-65% as collections normalize.

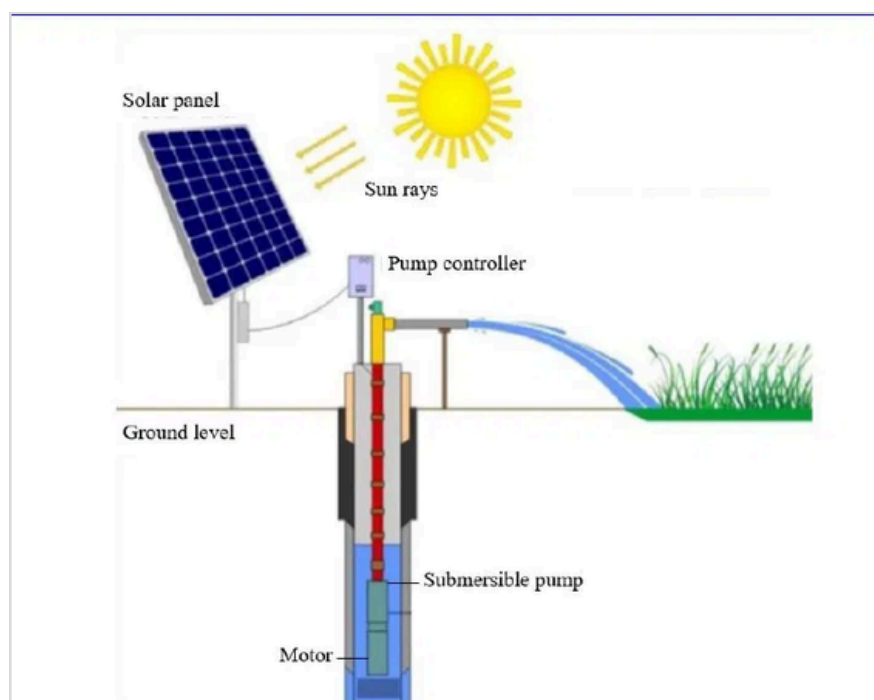


The Debt-to-Equity ratio is expected to increase as the Company partially funds its backward integration capex through debt. Despite the rise, leverage is expected to remain at a comfortable level.



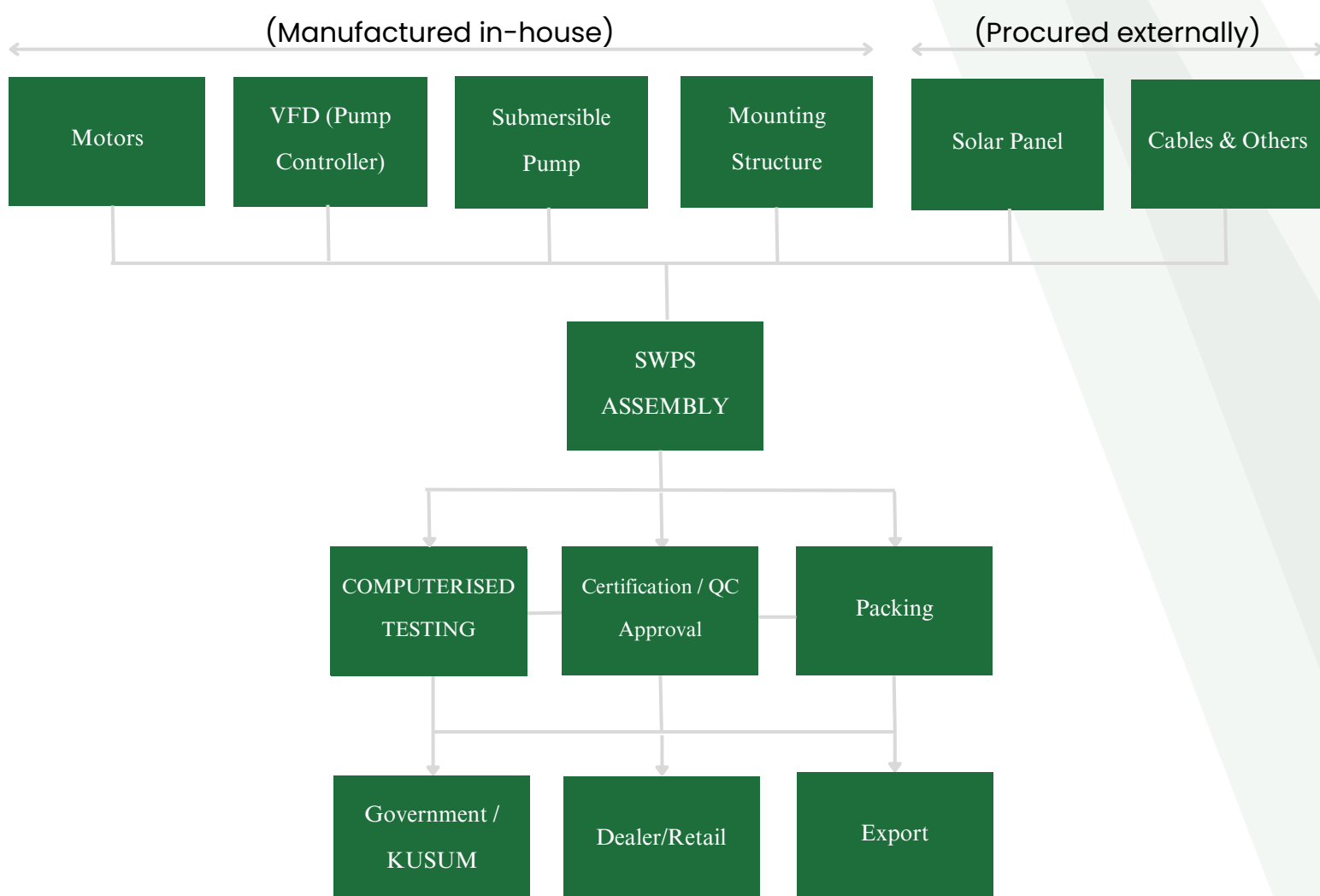
Solar Pump Manufacturing Process

Solar Pump



The main components of the solar pumping system:

- Solar panel - It converts sunlight into electrical energy to power the water pump. It is composed of photovoltaic cells, that transform sunlight into electricity.
- Solar pump - It transfers water from one location to another. There are two main types of solar pumps - submersible solar pump and surface pump. These pumps uses two types of current- AC and DC.
- Motor - It converts electrical energy into mechanical energy to drive the pump and lift water. It is specifically engineered to function underwater.
- Pump controller - This device regulates the solar water pump system, ensuring its efficient and safe operation. It monitors water levels and prevents the pump from running dry, protecting it from potential damage.



Solar Pump Manufacturing Process

1. Motors Manufacturing: From electrical steel and copper wire to a submersible-rated, energy-efficient motor.

The motor manufacturing process begins with lamination stamping, where silicon steel sheets are punched into stator and rotor shapes. These laminations are then stacked and bonded to form the motor core, after which copper winding is wound onto the stator according to the required motor rating and tested for insulation quality. Next, the rotor, shaft, bearings, and end shields are assembled to complete the motor's rotating mechanism. For submersible motors, the unit is sealed to prevent water ingress, ensuring reliable underwater operation. Every motor then undergoes electrical testing, including no-load running, insulation resistance, and winding resistance checks to verify performance and safety. Once all quality tests are successfully completed, the motor is ready for coupling with the matching pump assembly.



2. VFD / Controller Manufacturing: The "brain" of the solar pump - converts variable solar DC power into a controlled motor drive.

The VFD (Variable Frequency Drive) controller is manufactured by first placing all the required electronic components onto a printed circuit board (PCB) and permanently fixing them in place. Components that cannot be placed automatically are then added manually, after which a protective coating is applied to shield the circuit from dust, moisture, heat, and other environmental conditions. The completed PCB is fitted inside a strong weatherproof enclosure, making it suitable for outdoor use. Every controller is then thoroughly tested to ensure it works properly and meets quality standards. Once it passes all the tests, the VFD is ready to be installed with the solar pump system or supplied as a standalone controller.



3. Pump Manufacturing: From stainless-steel sheet to a multi-stage submersible pump stack

The pump manufacturing process begins with cutting stainless steel sheets into the required shapes, which are then formed into important pump parts such as the impeller and diffuser. These parts are precisely finished and assembled together to create the complete pump according to the required water flow and pressure. A sealing system is then fitted to reduce friction, improve efficiency, and prevent leakage during operation. Every pump undergoes a water performance test to ensure it delivers the required flow and pressure before leaving the factory. After successfully passing all quality checks, the pump is ready to be coupled with its matching motor, completing the solar pump assembly.



Solar Pump Manufacturing Process

4. Mounting Structure: A steel frame that supports and holds the solar panels.

The mounting structure is manufactured in-house, starting with cutting mild steel coils into the required sizes for the frame. The steel parts are then drilled and punched to create holes for easy assembly and installation. After this, the structure is hot-dip galvanized, where it is coated with zinc to protect it from rust and ensure long life in outdoor conditions. Finally, the complete structure is assembled and tested to withstand wind speeds of up to 150 km/h, making it strong enough for long-term use in farms.



5. Solar Panel / DCR Cell: The core component that converts sunlight into electricity.

Unlike the mounting structure, solar panels are not manufactured in-house. They are currently sourced from domestic DCR/ALMM-approved suppliers, ensuring compliance with government quality standards and PM-KUSUM requirements.

6. Cables & Electrical Accessories

These electrical accessories connect the solar panels, controller, and pump safely and efficiently. They include cables, MC4 connectors, a DC protection box, terminals, and installation hardware. Together, they ensure reliable power transmission, secure electrical connections, and protection against faults. These components are essential for the safe installation and smooth operation of the solar pumping system.



Final Assembly, Testing & Sales Channels

After all manufactured and outsourced components—such as the motor, pump, VFD controller, mounting structure, solar panels, and electrical accessories—are assembled, the Solar Water Pumping System (SWPS) is ready for the final quality and dispatch process. Before the product is sold, it passes through three important stages.

1. Testing

Every fully assembled solar pump undergoes a 100% unit-level testing process, meaning each individual unit is tested rather than only a sample. The pump's water flow, pressure, motor performance, electrical safety, and overall efficiency are checked against predefined quality standards. In addition, a durability test is conducted to evaluate bearing life, seal performance, and the motor's ability to operate continuously under load. Any unit that does not meet the required specifications is removed from the production line for rework before moving ahead.

2. Certification / QC Approval

Only pumps that successfully pass all performance tests proceed for Quality Control (QC) approval and certification. This stage verifies that the product complies with all required quality and regulatory standards. It acts as a final physical inspection gate, ensuring every unit meets the necessary certification requirements before it is approved for sale.

3. Packing & Dispatch

After receiving QC approval, the finished solar pumps are packed according to customer requirements and prepared for dispatch. The products are then supplied through three major sales channels.



Solar Pump Manufacturing Process

Sales Channels

1. **Government Orders:** The government channel contributes the largest share of volumes, primarily under the PM-KUSUM Scheme. After installation at the farmer's site, the installer submits completion documents to the State Nodal Agency. Payment is released only after physical verification of the installation by the authority. While management indicates this process takes around 90 days, industry checks suggest actual collections often take 180–250 days, making this the slowest cash-conversion channel.

2. **Export Business:** Products are exported through the company's SEZ unit to customers in 100+ countries. International certifications such as UL, CE, and NSF ensure compliance with overseas regulations and enable smooth customs clearance. This channel helps diversify revenue beyond the domestic market.

3. **Dealer / Retail Business:** The dealer and retail channel is the fastest cash-conversion business as there is no government approval or subsidy verification involved. The company serves customers through a network of 500+ dealers, 60+ distributors, and 400+ service centres. Products sold through this channel include standalone pumps, solar motor-pump sets supplied to OEM partners such as L&T, REIL, Adani, and Tata Power, along with surface and industrial pumping solutions.

This final stage completes the value chain, taking the solar pump from component manufacturing and assembly to quality assurance, packaging, and delivery through government, export, and dealer channels.

The Operating Rules of Shakti Pumps' Value Chain

1.Raw Material Procurement: Cost-Benefit Arbitrage Between buying and selling

Source critical raw materials such as steel, copper, aluminium, and other key components from reliable suppliers to ensure consistent quality, timely availability, and supply-chain stability. At the same time, optimize procurement through competitive sourcing and efficient purchasing to control input costs and protect the company's gross margins.

2.Receivables Strategy: Prioritize Orders with Faster Payment Realization

Management has historically preferred to do business with customers where receivables are expected to be collected within around 120 days, helping maintain healthy cash flow and lower working capital requirements. However, as competition in the solar pump industry has intensified, the company has become more flexible in accepting orders with longer payment cycles, particularly in government business, to protect market share and sustain growth.

3.Realisation Strategy: Better Realisation Protects Margins

Management prefers to participate in projects where pricing and payment realization are favourable, as better realization helps protect gross margins and improve profitability. However, with increasing competition in the solar pump industry, the company has become more willing to accept orders with lower realization in selected cases to maintain market share and secure business.

4.Backward Integration: Increase In-house Manufacturing to Improve Margins

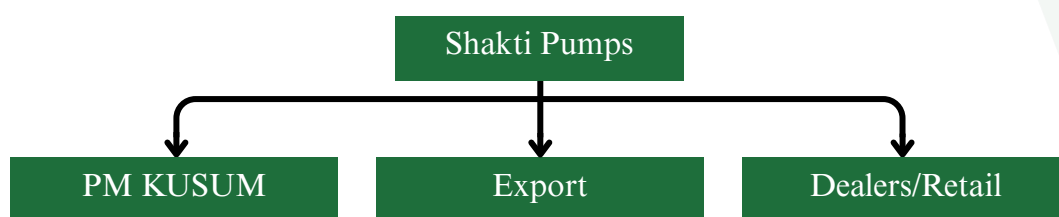
Over the past few years, Shakti Pumps has steadily increased its backward integration by manufacturing key components such as motors, pump stacks, VFD controllers, and mounting structures in-house. This has helped reduce dependence on external suppliers, ensure better supply reliability, and enhance profit margins. Going forward, the company plans to extend this strategy by manufacturing solar panels in-house, which could further increase value addition, improve cost competitiveness, and strengthen its position in an increasingly competitive market.



About Shakti:

Shakti Pumps (India) Ltd was founded in 1982 by Mr. Dinesh Patidar in Pithampur, Madhya Pradesh. The company is a backward-integrated manufacturer of pumps, motors, VFD controllers and mounting structures, serving the agriculture, industrial, export and government sectors. The company derives the majority of its revenue from PM-KUSUM, India's flagship solar irrigation programme, while exports provide geographical diversification and better margin realization. Going forward, Shakti Pumps is expanding backward integration by planning in-house solar panel manufacturing to improve value addition, strengthen margins and enhance competitiveness.

Shakti Pumps (India) Ltd holds a 25%+ market share in India's domestic solar pump market under the PM-KUSUM scheme, making it one of the industry's leading players. The company operates an integrated manufacturing with an annual capacity of 500,000 pumps, supported by strong backward integration across key components. While the core business continues to focus on solar pumping systems, the company is also expanding into EV motors and rooftop solar solutions, supported by a doing ₹100 crore capex, creating additional long-term growth opportunities.



PM KUSUM

Shakti's largest and fastest-growing segment (80% of FY26 revenue). Shakti Pumps designs, manufactures, and supplies integrated solar pumping systems comprising solar submersible and surface pumps, motors, controllers, VFDs, inverters, and mounting structures. The business is primarily driven by government-led solarization programs such as PM-KUSUM and various state irrigation schemes, under which Shakti executes large-scale installations for agricultural water management. Its fully backward-integrated manufacturing and in-house R&D enable cost efficiency, faster execution, and consistent quality, strengthening its leadership in the solar irrigation ecosystem.

Export Segment

Shakti exports pumps and motors to 100+ countries across all major continents, generating 16% of revenue. The Middle East, Africa and the USA are the largest markets, the Company operates wholly-owned subsidiaries in the USA and UAE to support local stocking and distribution. This segment carries the Company's best margins and is the one line of business that competes without government-scheme protection.

Dealers / Retail/Others Segment

The Company's legacy non-solar business, supplying pumps for industrial, firefighting, and domestic retail use, and OEM supply to players including L&T, REIL, Adani and Tata Power. This segment has shrunk to 5% of FY26 revenue.



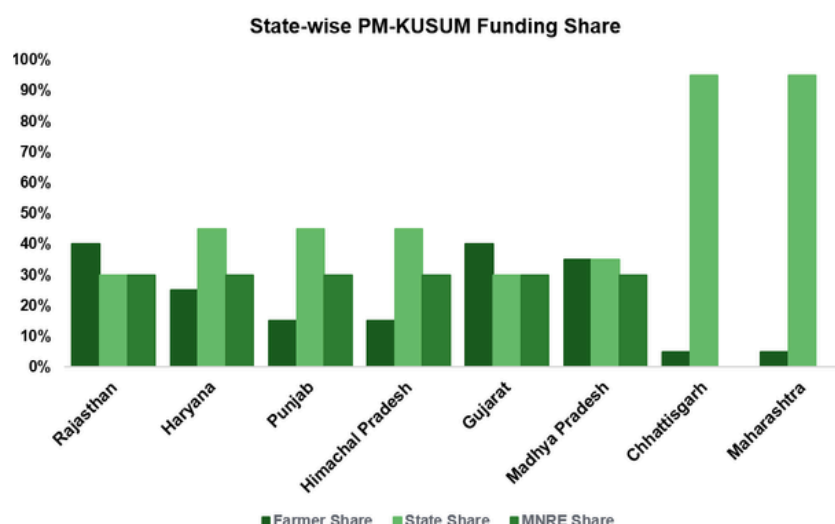
Investment thesis:

The Thesis Is Intact – The Trigger Has Not Yet Fired, Our investment thesis is based on the following premises:

1. **Government-engineered affordability makes solar-pump demand structurally non-discretionary for the Indian farmer. (STRUCTURAL / ALL HORIZONS)**
2. **PM-KUSUM 2.0 is the Master Switch – It is the single event that unlocks near-term revenue and re-rating. (NEAR-TERM)**
3. **A structurally underpenetrated replacement TAM: India still runs 30 Mn agricultural pumps on diesel or inefficient grid power – solar covers barely 13% of them. (MEDIUM-TERM)**
4. **Export diversification (Africa/Uganda, drinking-water EPC) reduces single-scheme dependence. (MEDIUM-TERM)**
5. **Backward integration into DCR solar panels closes the last value-chain gap, though the payback economics and FY28 timeline carry oversupply risk. (MEDIUM-TERM)**
6. **Component C (feeder-level solarisation) is a call option – presently negligible, but scheme-wide pickup would be a multiplier. (MEDIUM-TERM, OPTIONALITY)**
7. **EV motors and rooftop solar are capex-backed adjacencies for the next leg of growth beyond agri-pumps. (LONG-TERM)**

1. Government-engineered affordability makes solar-pump demand structurally non-discretionary for the Indian farmer.

PM-KUSUM's subsidy structure is the biggest reason why solar pumps are not a typical discretionary purchase. In some states, the Central and State Governments together subsidize up to 90% of the project cost, leaving the farmer to pay only around 10% upfront. Even in states where the combined subsidy is 60%, the farmer bears only the remaining 40% of the cost, which can often be financed through bank loans. As a result, the farmer's effective upfront cash outlay typically ranges from 10% to 40% of the total system cost. This significantly improves affordability, making the economics highly attractive for farmers and driving demand for solar pumps.



Farmer benefit: A diesel-pump farmer's all-in cost of ownership collapses from ₹10–20 lakh to just ₹0.4–1.1 lakh under PM-KUSUM – a saving of ₹8–14 lakh per pump that shows up directly as freed-up farm income, not a distant subsidy promise.

Government benefit: Even against a grid-connected farmer – where government already bears a recurring ₹2.3–2.4 lakh power subsidy per pump – PM-KUSUM cuts the state's own cost of ownership to ₹1.0–2.2 lakh, turning an open-ended annual subsidy liability into a one-time capital transfer.



Investment thesis:

3 and 5 HP	Units	Diesel	Grid	PM-KUSUM	
				Non-special category states	Special category states
Cost of ownership to farmer	₹ million	1 – 2	0.19 – 0.20	0.07 – 0.11	0.04 – 0.06
Cost of ownership to government		0	0.23 – 0.24	0.10 – 0.15	0.14 – 0.22
Cost of ownership to farmers and government		1 – 2	0.41 – 0.42	0.17 – 0.26	0.18 – 0.28
Savings to farmer from shifting to solar pump		0.8 – 1.4	0.09 – 0.12	—	—
Savings to farmers and government from shifting to solar pump		0.7 – 1.3	0.16 – 0.24	—	—

2. PM-KUSUM 2.0 is the Master Switch – It is the single event that unlocks near-term revenue and re-rating. (NEAR-TERM)

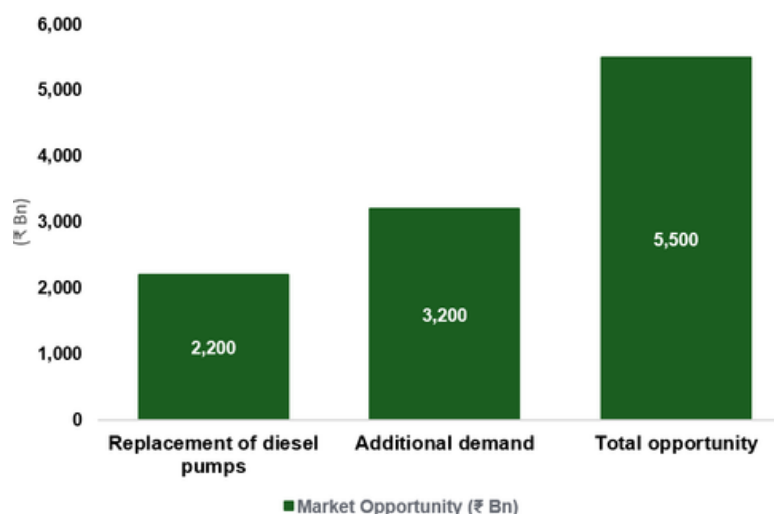
KUSUM 2.0, the next-generation iteration of India's flagship solar pump subsidy scheme, is the single largest binary trigger for Shakti's revenue and stock re-rating. As of Q1FY27, states like MP, Rajasthan, Gujarat and Uttar Pradesh have not released KUSUM 2.0 tenders; management confirms they are waiting for the scheme's formal rollout.

The opportunity is structurally massive: of an estimated 3–4 crore agricultural pumps in India, only 10–15% have been solarised, leaving 85% – more than 3 crore pumps – as unaddressed demand. KUSUM 2.0 is also expected to a market of 2–2.5x larger than KUSUM 1.0 approximately.

Shakti is the dominant beneficiary: qualified in more than 21 states, with 20–25% market share in KUSUM executions, and one of the player with end-to-end capability across both off-grid (Comp B) and grid-connected (Comp C) solar pumps. When KUSUM 2.0 lands, Shakti captures disproportionately.

3. A structurally underpenetrated replacement TAM: India still runs 30 Mn agricultural pumps on diesel or inefficient grid power – solar covers barely 13% of them. (MEDIUM-TERM)

India is the world's largest user of groundwater for irrigation, running roughly 30 million agricultural pumps nationwide. Of these, about 20 million are grid-connected (often on subsidised, unreliable and inefficient power) and roughly 10 million still run on diesel. Solar has reached only 3.9 million pumps to date – despite five years of an active national mission – which means over 85% of India's pump base remains unsolarised even after PM-KUSUM's first phase. This is the core of the Shakti thesis: the addressable base isn't shrinking as the scheme executes, because new pumps are added to the system every year, a portion of which are themselves solarisation candidates.



Investment thesis:

Why diesel replacement is a forced trade, not a discretionary one: A typical 5 HP diesel pump costs a farmer roughly Rs. 60,000/year in fuel alone, excluding maintenance – a recurring cash cost that a solar pump eliminates almost entirely after a one-time, heavily subsidised capital outlay.

Diesel pumps also depend on fuel availability and price volatility, solar pumps run on daylight, which matters most during peak irrigation windows.

4. Export diversification (Africa/Uganda, drinking-water EPC) reduces single-scheme dependence. (MEDIUM-TERM)

Exports are Shakti's highest-margin segment – management guidance indicates double-digit premium over domestic solar pump margins. Africa accounted for 43.3% of FY25 export revenue, driven by the landmark USD 35.3 Mn Uganda government contract for solar water pumping systems serving half a million Ugandans across 20 rural districts.

The company is a member of the International Solar Alliance (ISA), which aggregates demand for 2,70,000+ solar pumps across 22 countries, 1 GW+ of rooftop solar across 11 countries, and 10 GW+ of mini-grids across 9 countries.

Beyond agriculture, export use cases include drinking water (Uganda, Bhutan, Male), fountain applications (South Korea, Vietnam), hydroponics (Thailand) and industrial dewatering (Dubai) – demonstrating broad application depth and reducing single-sector dependence.

5. Backward integration into DCR solar panels closes the last value-chain gap, though the payback economics and FY28 timeline carry oversupply risk. (MEDIUM-TERM)

Shakti is building a fully integrated solar manufacturing ecosystem: VFDs, inverters, solar structures (all in-house), and now DCR solar cells and modules. A 0.5 GW cell plant is targeted by September 2026 and a 2.2 GW plant by September 2027. Management expects +300 bps EBITDA margin improvement post full commissioning – eliminating dependence on Adani, Tata and Premier for panel supply, and removing the penalty – clause risk in tenders from panel shortages.

This capex carries two key risks:

Oversupply risk: India's DCR-compliant cell/module capacity is scaling aggressively scheme-wide – cell manufacturing capacity alone is projected to rise nearly five-fold to 50-55 GW by FY2027 under the PLI/ALMM framework. A capacity build that lands into an industry-wide panel glut would compress the very economics the move is meant to protect.

Payback period: Solar panel manufacturing is capital-intensive relative to Shakti's core pump/motor/VFD assembly economics; if utilisation ramps slowly, the payback period on new panel capex could stretch well beyond typical hurdle assumptions.

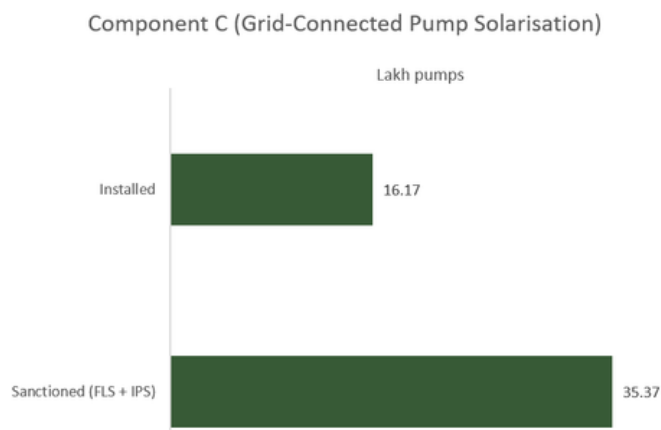
Total capex plan: ₹1,600 Cr over next 2 years. ₹800 Cr expected in FY27 alone. Until the cell plant is commissioned, this is capex drag with no near-term margin relief.



Investment thesis:

6. Component C - Grid-Connected Solarisation Is the Real Runway Left. (MEDIUM-TERM, OPTIONALITY)

Component C - solarising pumps already connected to the grid, either individually (Individual Pump Solarisation, IPS) or at the feeder level (Feeder Level Solarisation, FLS) - is both the largest component by target (35.37 lakh pumps/feeders) and the least executed. Only 16.17 lakh were complete as of June 2026 (46%). This is genuinely the biggest remaining leg of PM-KUSUM.



7. EV motors and rooftop solar are capex-backed adjacencies for the next leg of growth beyond agri-pumps. (LONG-TERM)

Shakti EV Mobility Pvt Ltd was set up as a wholly-owned subsidiary in December 2021 to manufacture EV motors, controllers and chargers for the 2W/3W/4W segments with a total capex plan of ₹250 Cr (Phase 1: ₹114 Cr, of which ₹70 Cr already deployed). Testing with Tata Motors, Ashok Leyland, and Eicher is underway. Automotive OEM qualification cycles typically take 18-36 months, so revenue contribution remains negligible today (1% of sales).

On solar rooftop, the company has signed MoUs with 90+ dealers and operates 100+ exclusive outlets. Cash/retail sales grew +68% YoY in 9MFY26 to ₹666 Mn. This segment is strategically coherent with Shakti's full-stack solar capability (panel + inverter + pump + structure all in-house).

Neither segment moves the needle before FY28-FY29 but they represent meaningful convexity at low additional cost.

Conclusion: The call - wait for confirmation, not anticipation.

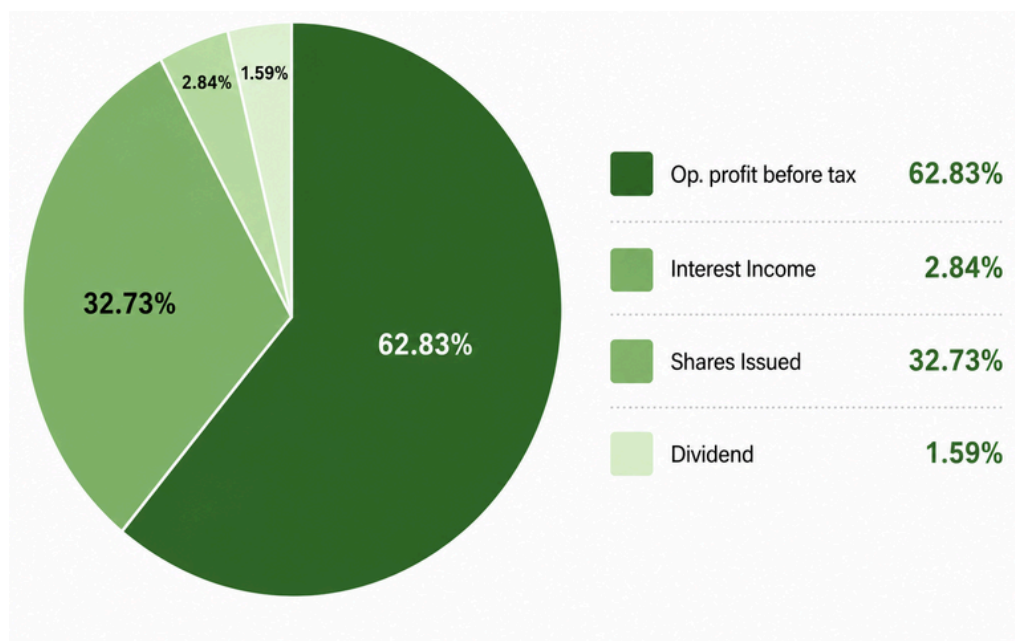
The structural case for Shakti - government-engineered affordability, a still-shallow replacement base, export diversification, EV motors, and a value chain that is closing its last integration gap - remains intact. But the near-term numbers have not yet confirmed the thesis.

Our stance: wait. We would not commit fresh capital until Q3FY27 numbers confirm a turn. A durable price re-rating is most likely to follow, not precede, formal announcement of PM-KUSUM 2.0 - and the revenue/profit reflection of that announcement will itself only show up in the numbers after Q3. We would rather pay up for confirmation than front-run a scheme announcement whose timing is outside the company's control.



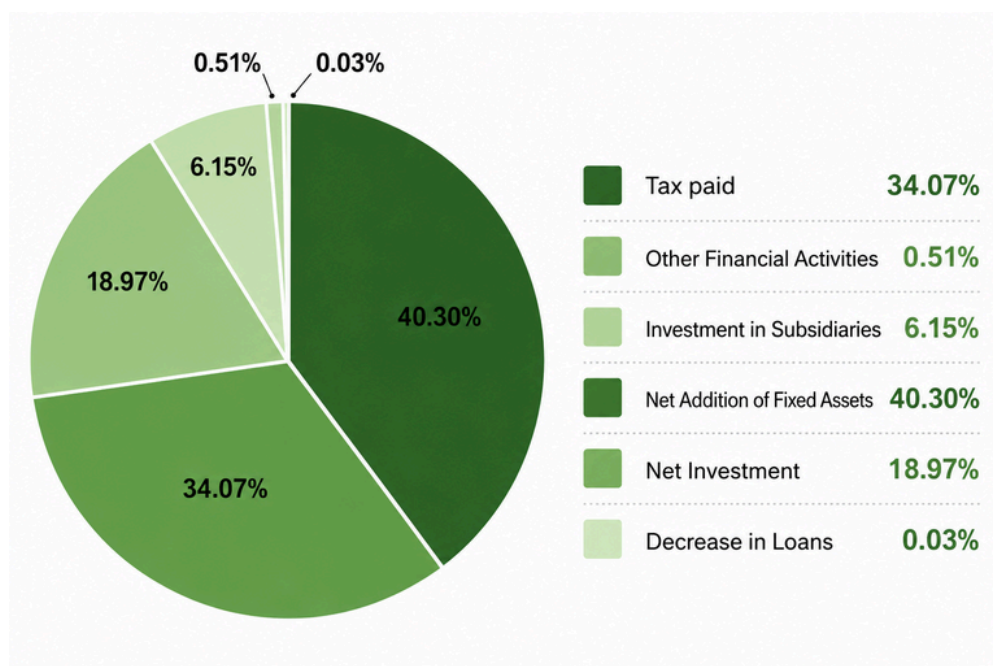
Fund flow:

Inflows:



Over the last ten years, cash inflows were mainly driven by operating profit (63%) and share issuance (33%). Interest income and dividends together accounted for only 4% of total cash inflows.

Outflows:



Over the last ten years, cash outflows were mainly used for net fixed asset additions (40%), tax payments (34%), and net investments (19%). Spending on subsidiaries and other financial activities together accounted for only around 7% of total cash outflows.



Peer Comparison:

Shakti Pumps vs Oswal Pumps & GK Energy.

Oswal Pumps and GK Energy are Shakti Pumps' closest listed peers – all three derive the bulk of their revenue from India's PM-KUSUM solar irrigation-pump scheme (and its state variants, e.g. Maharashtra's Magel Tyala Saur Krushi Pump Yojana), selling largely to the same government nodal agencies (MSEDCL, HAREDA, MPUVN, KREDL etc.), and have all re-rated sharply lower over the past year as the market priced scheme-execution risk after a stellar FY25. Shakti is the only one of the three with a genuine multi-decade operating history and full backward integration into pump, motor, VFD/inverter and structure manufacturing; Oswal is the closest structural analogue – a similarly vertically-integrated manufacturer, just younger and smaller; GK Energy is structurally different – a pure asset-light EPC installer with no captive manufacturing.

1. Business comparability – Why Oswal and GK Energy is the right peer

Dimension	Shakti Pumps	Oswal Pumps	GK Energy
Manufacturing Process	Only Indian player making pump + motor + VFD/inverter + structure all in-house (4/4 components)	Vertically integrated: pumps, motors + 570MW solar module line (1.5GW by Q3FY27)	Asset-light; procures pumps/panels via an OEM/ODM ecosystem, focuses on execution.
Geography	India + exports to 100+ countries (Africa, Middle East, USA)	Predominantly India and export ramp (4-4.5% of revenue)	India only, no export presence
PM-KUSUM	77%	85-90%	95-100%
Capex	Adding solar DCR cells/modules (0.5GW Q1FY27)	Adding inverters + module scale	Just signed 875MW DCR-cell supply deal + building own 1GW module line (Solapur)
Non-scheme growth optionality	Exports (100+ countries, 15% of revenue), EV motors/controllers, solar rooftop	Rooftop solar EPC (300MW pipeline); exports still nascent (4-4.5%)	Rooftop solar EPC (612MW+ cumulative capacity commissioned)



Peer Comparison:

2. Revenue & EBITDA — Growth Trajectory

Metric	FY23	FY24	FY25	FY26
Shakti Pumps				
Revenue (Rs Cr)	968	1,371	2,516	2,698
Revenue Growth	-	41.60%	83.60%	7.20%
EBITDA (Rs Cr)	67	225	603	422
EBITDA Margin	6.90%	16.40%	24.00%	15.60%
PAT (Rs Cr)	24	142	408	258
PAT Margin	2.50%	10.30%	16.20%	9.60%
Oswal Pumps				
Revenue (Rs Cr)	385	759	1,430	2,064
Revenue Growth	-	97.00%	88.50%	44.30%
EBITDA (Rs Cr)	58	150	420	535
EBITDA Margin	15.00%	19.80%	29.40%	25.70%
PAT (Rs Cr)	34	98	281	376
PAT Margin	8.80%	12.90%	19.60%	18.00%
GK Energy				
Revenue (Rs Cr)	285	411	1,095	1,715
Revenue Growth	—	44.20%	166.30%	56.70%
EBITDA (Rs Cr)	17	54	200	313
EBITDA Margin	6.00%	13.10%	18.20%	18.30%
PAT (Rs Cr)	10	36	133	204
PAT Margin	3.50%	8.80%	12.20%	11.90%

Revenue: GK Energy and Oswal are compounding faster (70–82% CAGR) than Shakti (41%) simply because both started from a far smaller base. On an absolute-scale basis, Shakti's FY26 revenue (Rs.2,698 Cr) remains 31% larger than Oswal's and 57% larger than GK Energy's.

EBITDA margin: Oswal runs structurally higher margins (25–29% over FY25–26) than both Shakti (15.6–24.0%) and GK Energy (18.0–18.3%), supported by efficient raw material procurement and deeper backward integration into solar modules alongside pumps and motors. GK Energy, despite being an asset-light EPC player with no manufacturing, has maintained healthy margins through disciplined raw material sourcing, strong vendor relationships, and efficient project execution, although its margin potential remains structurally lower than a vertically integrated manufacturer.



Peer Comparison:

3. Valuation Multiples – P/E, EV/EBITDA

Valuation Metric	Shakti Pumps	Oswal Pumps	GK Energy
P/E			
CMP	545	390	143
EPS FY26	21	33	10
P/E	26	12	14
EV/EBITDA			
EV	6542	4288	2655
EBITDA	422	514	304
EV/EBITDA (FY26)	16	8.3	8.7

P/E

At 26x FY26 earnings, Shakti trades at more than double Oswal's 12x and GK Energy 14x. The market is paying up for Shakti's balance-sheet quality, size, in-house integration and 4-decade track record; it is discounting Oswal and GK Energy for their size, not fully integrated, thinner float and execution-risk overlap from a single scheme (PM-KUSUM Component B).

EV/EBITDA

EV/EBITDA is the more meaningful valuation metric than P/E in this comparison as it neutralises differences in leverage, cash balances and ongoing capex investments. On this basis, Shakti Pumps trades at ~16x EV/EBITDA, nearly 1.8x the ~9x multiples of both Oswal Pumps and GK Energy, indicating that the market is assigning a significant premium to Shakti's integrated manufacturing model, longer operating history and diversified business, despite its relatively slower near-term earnings growth.



Peer Comparison:

4. Comprehensive Peer Scorecard

Parameter	Shakti Pumps	Oswal Pumps	GK Energy	Assessment
Revenue (FY26)	Rs.2,698 Cr	Rs.2,064 Cr	Rs.1,715 Cr	Shakti still 31% larger than Oswal, 57% larger than GK Energy
Revenue Growth (3year CAGR)	41%	75%	82%	Younger peers compounding faster off smaller bases
FY26 Revenue Growth	7.20%	44.30%	56.70%	Shakti deliberately slowed execution; peers kept scaling
EBITDA Margin (FY26)	15.60%	25.70%	18.30%	Shakti's margins came under pressure due to geopolitical disruptions in Western countries, which pushed up raw
FY26 EPS Growth	-37%	18%	27%	Only Shakti's earnings fell in FY26 due to margin pressure
Receivables Days	173	199	140	All three have high receivables due to government customers; GK Energy has the lowest debtor days.
ROCE (FY26)	15%	19%	17.45%	Shakti's margin pressure led to lower return ratios.
P/E Multiple (FY26)	26	12	14	Shakti commands nearly 2x the peer
PEG (FY26 P/E ÷ FY26 EPS growth)	NA	66	54	Peers price far cheaper per unit of growth delivered.
EVEBITDA (FY26)	16	8	9	Shakti commands nearly 2x the peer
Backward Integration	(pump + motor + VFD + structure); adding solar cells	Full (pump + motor + module); adding inverters	None (pure EPC, OEM/ODM sourced)	Shakti & Oswal are true manufacturers, GK Energy is not.
Govt-Scheme Dependence	80%	81%	87%	All 3 carries the highest single-scheme concentration risk
Key Risk	Receivables/execution discipline, RM Procurement, PM-KUSUM 2.0 rollout timing	Receivables, Tender-pricing competition, PM-KUSUM 2.0 rollout timing	Single-scheme (PM KUSUM) concentration, no manufacturing, PM-KUSUM 2.0 rollout timing	All three share PM-KUSUM policy and continuity risk

Conclusion

At the current market price of ₹550, Shakti trades at 26x FY26 earnings versus 12x for Oswal Pumps and 14x for GK Energy. This premium largely reflects Shakti's stronger balance sheet, four-decade operating track record and fully integrated manufacturing model, rather than its FY26 earnings performance, which declined while both peers delivered growth. If FY27 execution normalises following the receivables clean-up, margins stabilise and the DCR module capacity ramps up as guided, the current valuation premium appears justified. However, if investors begin to view PM-KUSUM execution risk and tender economics similarly across all three players, irrespective of business quality, Shakti's valuation premium could narrow toward that of Oswal Pumps and GK Energy.

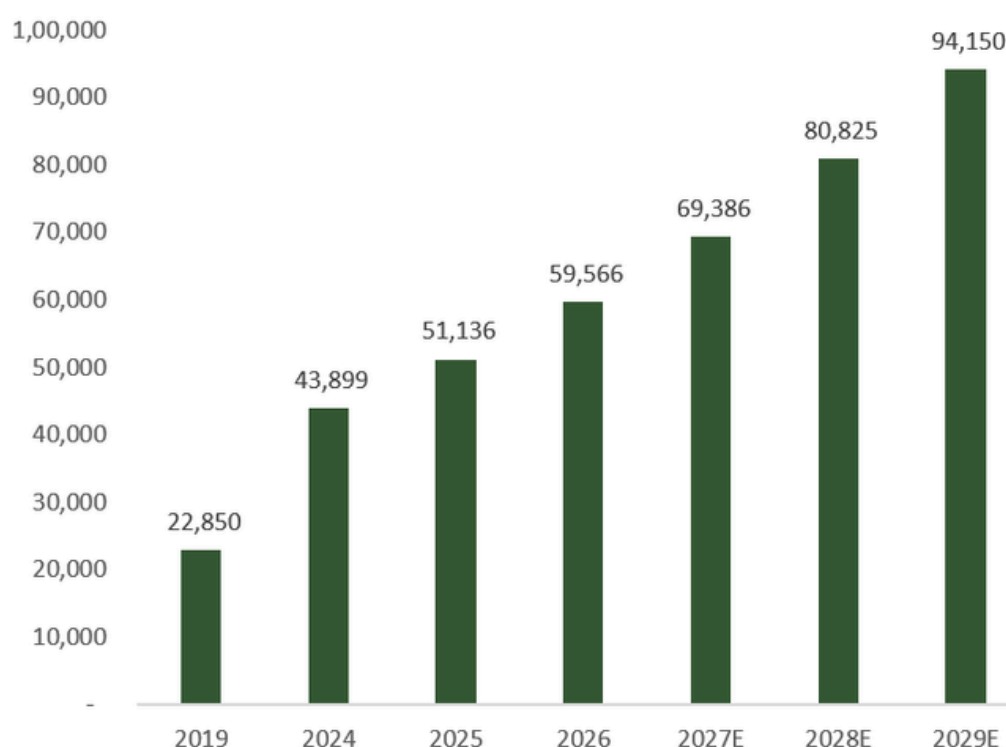


Industry Analysis:

Global Solar Pumps industry overview:

The global solar pump market has experienced remarkable growth, starting at ₹ 22,850 crore in CY2019 and soaring to ₹ 43,899 crore in CY2024. This upward trajectory is projected to continue, with the market expected to reach ₹ 94,150 crore by 2029, reflecting a robust CAGR of 15.6% during CY2024-CY2029F. The driving forces behind this growth are manifold, including the increasing demand for irrigation, government support through incentives and subsidies, the energy efficiency and cost savings offered by solar pumps, the pressing issues of water scarcity and climate change, and the need for rural electrification and off-grid applications. In regions blessed with abundant sunlight and economies reliant on agriculture, the demand for solar pumps for irrigation is rising. This trend is driven by the numerous benefits solar-powered irrigation systems offer farmers. These systems present a cost-effective and sustainable alternative to traditional diesel or electric pumps, particularly in remote areas with limited access to the power grid. By adopting solar pumps, farmers can significantly reduce their operational costs and contribute to a greener, more sustainable future.

Global Solar Pumps Market Size(Rs. Cr)



As adoption broadens, the growth engine of the global market is shifting decisively towards policy-backed emerging markets. The fact pattern is consistent: the market roughly doubled over CY19-24 despite COVID-era disruption, and the forecast implies it will more than double again by CY29, with the CAGR accelerating rather than fading as the base grows.

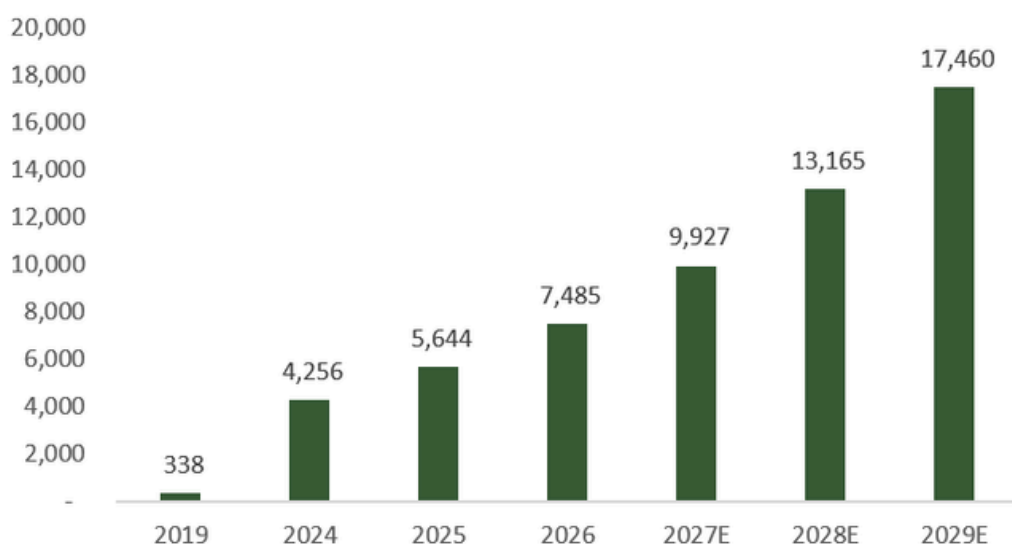


Industry Analysis:

India Solar Pumps industry overview:

The Indian solar pumps market has witnessed strong growth, expanding from ₹338 crore in FY2019 to ₹4,256 crore in FY2024, driven by increasing adoption of renewable energy solutions in agriculture. The market is projected to reach ₹17,460 crore by FY2029, growing at a CAGR of 32.6% during FY2024–FY2029F. This growth is mainly supported by government initiatives such as solar pump subsidy schemes, rising diesel prices, and improving affordability of solar-powered irrigation systems. A major factor driving adoption is the superior value proposition of solar pumps compared to conventional submersible pumps. Solar pumps reduce farmers' dependence on unreliable grid electricity and diesel-based irrigation, resulting in lower operating costs. They also protect motors from damage caused by voltage fluctuations, improving durability and reliability. These benefits, along with policy support and increasing awareness among farmers, are expected to accelerate solar pump penetration across India.

India Solar Pump Market Size(Rs. Cr)



The Indian solar pumps market has witnessed significant growth, largely driven by the government's flagship PM-KUSUM scheme, which aims to promote the adoption of solar-powered irrigation solutions across the agricultural sector. Under the scheme, the central government, in collaboration with various state governments, provides substantial subsidies to farmers, significantly reducing the upfront cost of solar pump installation and making the technology more affordable.

The scheme has played a key role in accelerating the shift from traditional diesel and grid-dependent pumps toward solar-powered alternatives by improving accessibility and reducing farmers' irrigation costs. Additionally, PM-KUSUM supports the solarisation of existing agricultural pumps, helping farmers overcome challenges related to unreliable grid electricity supply while promoting clean and sustainable energy adoption.



Valuation & Outlook:

Valuation & Outlook:

Shakti's growth case is backed by a still-early-innings replacement TAM, a subsidy structure that keeps demand evergreen, and a PM-KUSUM 2.0 outlay increase that extends the scheme runway well beyond PM-KUSUM 1.0. Against this, near-term margin visibility is genuinely mixed: the Company is simultaneously absorbing backward-integration capex, due to which asset turnover will reduce in the near term, but it will improve margins over time. Additionally, raw material price issues compressed FY26 EBITDA margin materially from its FY25 peak, both of which are more plausibly multi-quarter overhangs than one-off resets.

At the CMP of ₹494, Shakti Pumps trades at 8x FY28E EV/EBITDA, with a target price of ₹654. We believe the valuation is justified, supported by a strong upcoming order book, healthy replacement demand, the potential rollout of PM-KUSUM 2.0, and improving margins driven by enhanced manufacturing capabilities and deeper vertical integration.

Key risks:

➤ **Order execution risk**

Shakti operates under a B2G model, with sales routed through State Nodal Agencies and DISCOMs. Hence, execution and collections depend on government sanctions, fund disbursements, and state-level fiscal priorities, making the business inherently exposed to payment-cycle risks.

➤ **Delay in PM-KUSUM 2.0 rollout**

Delays in the rollout or execution of PM-KUSUM 2.0 could adversely impact Shakti's order inflows and capacity utilization, given its high dependence on government business. Similar delays and slow execution have been observed under the scheme in the past.

➤ **Competition in the Market**

Competition is increasing with new entrants across both manufacturing and government project execution. Given the limited differentiation in government tenders, higher competitive intensity could result in market share erosion and pricing pressure.

➤ **Government-administered pricing / low realisation risk**

Lower government tender realizations remain a key risk, as they could compress margins and reduce profitability. Similar pricing pressure has been observed in past government tenders.



Management Analysis:

Name	Designation	About
Mr. Dinesh Patidar	Chairman	Visionary, self-made industrialist with over three decades of experience in engineering, product development and business management. His extensive global exposure has helped Shakti adopt international best practices and build a strong competitive position.
Mr. Ramesh Patidar	Managing Director	Graduate in Business Administration with over 19 years at Shakti. Leads international business development, expanding global presence and exploring new business opportunities worldwide.
Mr. Sunil Patidar	Director	Experienced professional focused on people management, industrial relations, administrative excellence and legal compliance, ensuring smooth organizational operations.
Mr. Dinesh Patel	Chief Financial Officer	Qualified CA and ICWAI professional with over 14 years of experience in finance, audit, taxation and corporate affairs. Previously worked with Mahindra & Mahindra, Mahindra Two Wheelers, CASE New Holland Construction Equipment and joined Shakti Group in 2018.
Mr. Ashwin Bhootda	Whole-Time Director	Specialist in international business with over 18 years of experience in sales and marketing. Drives global expansion through market-specific strategies aligned with business objectives and regulatory requirements. Holds a Master's degree in International Business.
Dr. Chinmay Jain	Chief Technical Officer	M.E. from IISc Bangalore and Ph.D. from IIT Delhi. Has published over 20 research papers in reputed international journals and holds 9 patents. Leads technology and product innovation initiatives.
Prof. B. M. Sharma	Overall Head	Retired Professor from SGSITS Indore with over 30 years of academic and industrial experience. Expert in the design and development of super-efficient motors, overseeing operations and human resources.



Management Analysis:

CONCALL	Guidance	Fulfilment	What happened / Reason
Q4 FY22	"We expect a growth of 25% to 30% in coming years... for coming two to three years. Margin: we will try our best to maintain 10%-11%."	Attained	FY22 revenue grew 26.8% to ₹1,179 Cr, inside the guided band, and EBITDA margin was 9.4%, close to the 10-11% guided.
Q4 FY23	"This Company is striving for better margins... we will try to take margin to double-digit," on the back of the new 21-state KUSUM-3 rate contract and lower raw material costs.	Attained	EBITDA margin recovered to 16.4% in FY24 - comfortably into double digits - as the KUSUM repricing and softer input costs flowed through the P&L.
Q2 FY24	"Our plan is to do a growth of 25%-30% year-by-year... if we see on a full year basis our plan is that our EBITDA level will be 12%."	Attained	FY24 revenue grew 41.7% to ₹1,371 Cr and EBITDA margin closed at 16.4%, well above the 12% guided. Both metrics were beaten on the back of the 50,000-pump Maharashtra order (₹1,603 Cr, the company's largest ever).
Q4 FY24	"We expect the EBITDA margins to be stable at around 14%-15% range going ahead... we will keep on growing at 25% to 30% on a year-on-year basis. Capacity to double to ₹5,000 Cr in 2 years."	Attained	FY25 revenue surged 83.6% to ₹2,516 Cr - far above the 25-30% guided range - and EBITDA margin hit 24.0%, well above the 14-15% guided band, as the PM-KUSUM installation surge played through.
Q2 FY25	"The guideline we gave you was ₹1,800 crores [FY25, 35% growth]... EBITDA minimum guideline of 16%-18%... gross margin 35%-40%."	Attained	FY25 closed at ₹2,516 Cr (+83.6%), well above the ₹1,800 Cr / 35% guide, and EBITDA margin of 24.0% cleared the top of the guided 16-18% band.
Q4 FY25	"We expect to do a minimum revenue of ₹3,000 crores in FY26... EBITDA margin, we look to maintain it around 24%... target to reduce debtor days to 120 days."	Fall short	FY26 revenue closed at ₹2,698 Cr (+7.2%), well short of the ₹3,000 Cr target. EBITDA margin fell to 15.6% against the 24% guided, and debtor days stayed elevated at 173 versus the 120-day target. Raw-material inflation, weaker Magel Tyala (Maharashtra) realizations, and rising freight costs drove the shortfall.
Q1 FY26	"We are confident in delivering around 25%-30% revenue growth in FY26 and sustaining this trajectory over the next 3-4 years... we will maintain 24% EBITDA."	Fall short	Guidance unraveled within two quarters: growth was just 10% in Q1 and 5% in Q2 FY26. Management progressively narrowed the target to 20-25%, and EBITDA margin fell to 20% (H1) and 11% (Q3) against the 24% guide.
Q3 FY26	"We consciously moderated execution, especially in Maharashtra, to address elevated receivable levels... we aim to reach as close to our revenue guidance for the full year FY26 [as possible]."	Fall short	Management deliberately paused ₹200 Cr of Q3 execution to protect the balance sheet, formally walking back the FY26 target from "will hit" to "as close as possible." FY26 ended at ₹2,698 Cr (+7.2%) / 15.6% margin, confirming the shortfall. The Q1 FY27 call gave no growth guidance and explicitly withdrew forward EBITDA guidance due to raw-material volatility.



Financials & Valuation:

P&L Statement

Y/E Mar (Rs Cr)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	2,516	2,698	3,470	4,381	5,483
COGS	1,567	1,853	2,533	3,067	3,728
Employee Cost	101	141	139	175	219
Other Expenses	214	282	416	504	603
EBITDA	596	422	382	635	932
<i>EBITDA margin (%)</i>	<i>23.70%</i>	<i>15.60%</i>	<i>11.00%</i>	<i>14.50%</i>	<i>17.00%</i>
Depreciation	20	28	109	175	179
Interest expense	44	59	59	159	179
Other income	17	25	25	25	25
Profit before tax	549	359	239	326	599
Taxes	147	102	68	92	169
Net profit	401	258	171	234	429
<i>Net Profit Margin (%)</i>	<i>15.90%</i>	<i>9.50%</i>	<i>4.90%</i>	<i>5.30%</i>	<i>7.80%</i>
EPS (Rs)	32.61	20.94	13.92	18.99	34.91

Du-Pont Analysis

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
Tax Burden(x)	0.73	0.72	0.72	0.72	0.72
Interest Burden(x)	0.95	0.91	0.87	0.71	0.8
EBIT margin (%)	22.90%	14.60%	7.90%	10.50%	13.70%
Asset turnover (x)	1.28x	0.88x	0.90x	0.89x	0.94x
Financial leverage (x)	1.7	1.79	2.07	2.36	2.33
RoE (%)	34.50%	15.10%	9.20%	11.20%	17.20%



Financials & Valuation:

Balance Sheet

Y/E Mar (Rs Cr)	FY25	FY26	FY27E	FY28E	FY29E
Equity capital	120	123	123	123	123
Reserves	1,041	1,582	1,745	1,968	2,376
Net worth	1,161	1,706	1,869	2,091	2,500
Long Term Borrowings	0	0	400	1,000	1,200
Lease Liabilities	66	102	102	102	102
Long Term Provisions	11	24	24	24	24
Long Term Liabilities	78	128	528	1,128	1,328
Accounts Payable	464	653	906	1,144	1,431
Other Current Liabilities	196	536	536	536	536
ShortTerm Provisions	73	26	26	26	26
Current Liabilities	734	1,215	1,468	1,706	1,993
Total Liabilities and Shareholders Equity	1,972	3,048	3,864	4,925	5,821
PPE	259	327	1,113	1,787	1,827
Other non-current assets	32	129	129	129	129
Fixed Assets	291	456	1,241	1,916	1,955
Loans & Advances	4	21	21	21	21
Financial Assets	4	21	21	21	21
Cash	193	684	251	60	220
Accounts Receivable	1,049	1,276	1,592	2,010	2,515
Inventory	342	456	604	762	954
Other Current Assets	93	156	156	156	156
Current Assets	1,677	2,572	2,602	2,988	3,845
Total Assets	1,972	3,049	3,865	4,925	5,821



Financials & Valuation:

Cash Flow Statement

Y/E Mar (Rs Cr)	FY25	FY26	FY27E	FY28E	FY29E
PBT	556	359	239	326	599
Add: Interest	37	46	59	159	179
Plus: Depreciation & Amortization	20	28	109	175	179
Less: Interest income	-14	-14	-25	-25	-25
Add: Other Changes	13	21	0	0	0
Less: Changes in Working Capital	-463	-173	-211	-339	-409
Less: Taxes Paid	-136	-143	-68	-92	-169
Cash Flow From Operations	12	124	104	204	353
Investments	-105	-161	-894	-850	-218
Interest and Dividend Received	37	6	25	25	25
Cash Flow From Investing Activities	-198	-286	-869	-825	-194
Other Financial Activities	44	255	-67	-170	-200
Issuance (repayment) of equity	0	289	0	0	0
Cash Flow From Financing Activities	44	543	333	430	0
Net increase (decrease) in cash	-142	381	-433	-191	160
Opening Cash Balance	191	57	684	251	60
Closing Cash Balance	49	438	251	60	220



Financials & Valuation:

Quarterly Results

Particulars (₹ Cr)	Q1 FY27	Q4 FY26	QoQ	Q1 FY26	YoY
Revenue	859	858	0%	623	38%
COGS	629	632	0%	396	59%
Gross Profit	230	226	2%	226	1%
Gross Margin	27%	26%		36%	
EBITDA	83	83	0%	144	-42%
EBITDA Margin	10%	10%		23%	
Depreciation	7.6	8.7	-13%	6.1	25%
Finance Cost	15	18	-19%	10	49%
Other Income	10	10	7%	2	444%
Tax	19	28	-30%	33	-41%
PAT	52	38	35%	97	-47%
PAT Margin	6%	4%		16%	
EPS (₹)	4.18	3.11		8.05	

Ratio Analysis

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
Revenue growth	83.60%	7.20%	28.60%	26.30%	25.10%
Op profit growth	169.70%	-29.20%	-9.50%	66.40%	46.70%
OPM	23.70%	15.60%	11.00%	14.50%	17.00%
Net profit margin	15.90%	9.50%	4.90%	5.30%	7.80%
RoCE	46.50%	21.40%	11.40%	14.30%	19.70%
Debtor days	152	173	167	167	167
Inventory days	50	62	64	64	64
Creditor days	67	88	95	95	95
WC Days	134	146	136	136	136



Additional Description

Company Background	Shakti Pumps (India) Ltd was founded in 1982 by Mr. Dinesh Patidar in Pithampur, Madhya Pradesh. The company is a backward-integrated manufacturer of pumps, motors, VFD controllers and mounting structures, serving the agriculture, industrial, export and government sectors. The company derives the majority of its revenue from PM-KUSUM, India's flagship solar irrigation programme, while exports provide geographical diversification and better margin realization. Going forward, Shakti Pumps is expanding backward integration by planning in-house solar panel manufacturing to improve value addition, strengthen margins and enhance competitiveness.
Presence	Pithampur, Madhya Pradesh, India
Key Managerial Persons	• Mr. Dinesh Patidar – Chairman & Whole-Time Director • Mr. Ramesh Patidar – Managing Director • Mr. Sunil Patidar – Whole-Time Director • Mr. Dinesh Patel – Chief Financial Officer • Mr. Ravi Patidar – Company Secretary
Credit Rating (Aug'25)	IND AA- (Long-term) / IND A1+ (Short-term) by India Ratings and Research
Auditors	Price Waterhouse Chartered Accountants LLP

Key Milestones

Year	Milestone
1982	Patidar family starts a small pump-making unit in Pithampur.
1986	Full-scale manufacturing begins.
1995	Listed on Bombay Stock Exchange (BSE).
2003	Sets up SEZ export unit, total manufacturing capacity reaches 5 lakh pumps.
2008	Set up a separate SEZ manufacturing unit and expanded the main DTA unit, taking total installed capacity to 5 lakh pumps p.a.
2014	Becomes one of India's first companies to manufacture solar pumps.
2017	Won the EEPC India Star Performer Award for export performance, while continuing to scale solar-pump manufacturing capacity and qualify new export markets across Africa and the Middle East.
2018	Starts in-house manufacturing of VFDs (electronic controllers).
2019	PM-KUSUM scheme launched; Shakti emerges as the biggest beneficiary.
2021	Establishes Shakti EV Mobility subsidiary for electric vehicle motors.
2024	Raised ₹2,000 Mn via QIP, revenue crossed ₹1,370 Cr (+41.7% YoY); received 7 new patents, taking the cumulative total to 13.
2025	Revenue reaches ₹2,516, captures 25% PM-KUSUM market share, ₹12 Bn DCR cell plant under development.



Disclosure Document

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