“Shakti Pumps (India) Limited
Q4 and FY25 Earnings Conference Call”

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MODERATOR: MR. ROHIT ANAND – ERNST & YOUNG LLP

Moderator: Ladies and gentlemen, good day and welcome to the Q4 & FY'25 Earnings Conference Call of Shakti Pumps India Limited.

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.

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

Rohit Anand: Good afternoon, everyone. Before we proceed, let me remind you that this discussion may contain forward-looking statements that may involve known or unknown risk, 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 the key developments and to answer your questions today, we have the senior management of Shakti Pump India Limited, represented by Mr. Dinesh Patidar – Chairman; Mr. Ramesh Patidar, Managing Director; Mr. Dinesh Patel – Chief Financial Officer and Mr. Ravi Patidar – Company Secretary & Compliance Officer.

We will start the call with a brief overview of the past quarter and full year FY'25 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: Thank you, Rohit. Greetings to everyone. Thank you for joining us today for our earnings call. I am delighted to share with you the remarkable progress and achievements of our company over the past year. I am proud to announce that we have achieved the highest operational performance in the history of our company.

Our revenue has crossed a significant milestone, reaching Rs 2,516 crores, with a Profit After Tax (PAT) of Rs 408 crores. We had surpassed our annual goal of Rs. 1,800 crores of revenue in 9 months of FY25. This outstanding performance has been driven by our strong growth in both domestic and export markets, which have shown exceptional results.

Our ongoing commitment to financial prudence and operational efficiencies has paid off, as evidenced by the significant decline in our receivable days. We have managed to reduce receivable days to 152 in FY25, down from 178 days in FY24, and we expect to continue improving this in the coming years. We have given our team a target to reduce the debtor days to 120 days. We have a healthy order book of Rs. 1,655 crores as on today with steady order infow from major stats such as Maharashtra, Haryana and Rajasthan.

We are an R&D company and we work towards it all the time and we have received good results because of that and we will keep on working towards that. We will always try to live up to the expectation of our shareholders and thank you for associating with us. I will pass it on to Dinesh Patel, our CFO for further proceedings. Thank you.

Dinesh Patel: Thank you, sir. Good afternoon, everyone. I will only briefly talk about the FY'25 numbers.

We have delivered a remarkable performance across all metrics in FY'25 with revenue reaching Rs. 2,516 crores reflecting an 83.6% YoY growth from Rs. 1,371 crores in FY'24. The EBITDA for the year was Rs. 603 crores, a significant growth of 168% compared to Rs. 225 crores last year. This growth is attributed to higher order execution and our ongoing commitment to operational efficiencies, resulting in an expansion of EBITDA margins to 24% in FY'25 up from 16.4% in FY'24. In terms of PAT, we saw a huge increase of 188% reaching to Rs.408 crore in FY'25. The PAT margin improved to 16%, a substantial expansion from 10% in FY24, marking a 589-basis point expansion. Earning per shares for the year was Rs. 34 compared to Rs.12.8 in the previous fiscal.

This year's performance underscores our robust financial results and solid balance sheet position. While Chairman sir has already emphasized our reduction in receivables days this year even with significantly higher revenue. I would like to draw attention to additional key metrics. The company's net worth has increased to approximately Rs.1,161 crore by the end of FY'25. And our interest coverage ratio has strengthened to 13.6 times in FY'25 up from 11.5 times in FY'24. Furthermore, the return on capital employed has risen to 43.9% compared to 24.5% in FY'24 and the return on equity has also improved increasing to 35.2% in FY'25 from 18.8% in FY'24. The board has proposed a final dividend of Rs.1 per share which is 10% of the face value.

With this, I now request the moderator to open the floor for questions. Thank you.

Moderator: Thank you. We will now begin the question-and-answer session. Our first question comes from the line of Agastya Dave from CAO Capital. Please go ahead.

Agastya Dave: Sir after the previous quarter conference call, in 2 or 3 days you announced a deal with ReNew for panels. You were saying that panel availability was an issue last quarter for higher growth and getting new contract. So, my first question is, after that deal, how is the situation of your panel availability? Sir, when will your supply start? How much will it be? After executing the existing order book, what is outlook for revenue growth for next year? And sir, at what pricing do we get the panels?

Dinesh Patidar: We have tied-up with ReNew for the supply of of Rs.1,300 crores worth of DCR cell based solar module. The purchase has already started. We entered into a contract with Adani, their supply has also started. We already had a contract with Premier, whose supply is regular since the last few years. We expect to do a minimum revenue of Rs. 3,000 crores in FY26. If we talk

about the EBITDA margin, we look to maintain it around 24%.We will work on only those states and SKUs in which we will get good margin.

Agastya Dave: Have we noticed any slowdown from, any government side? Because new states are keep coming on, but the activity levels in old states from all what we see we think that it has been cooled down a little bit, what is your take on the overall picture? And this minimum target of Rs. 3,000 Crores how difficult is it, according to you, to achieve? Will it get done easily or will you have to work more on sales?

Dinesh Patidar: Our team and I are confident that we will achieve this target, and I want to highlight that this Rs 3,000 Crores is our minimum target. And your second question was that the activity levels in some states are down. I don't know what information you have and activity levels in which state has gone down. We haven't seen any such slow down. KUSUM and Solar Pump are a very good scheme because every state, every farmer, every manufacturer, every installer will be profited from this. So instead of slowing down the speed will increase in the coming times ahead, that is what we believe. It is going on well in all the states.

Agastya Dave: Great sir. Thank you very much sir for the time given. All the best sir.

Dinesh Patidar: Thank you Agastyaji.

Moderator: Thank you. Your next question comes from Swarnashish from Asterisk Capital. Please go ahead.

Swarnashish: My question was that last year, our order intake was slow because our DCR cells availability was bit low. Now, issue has been solved or not? And secondly, in the last financial year, we got margin benefit because our solar panels price was a bit low. But over a period of time, like you 24% margin guidance that you are giving, that state government will realize it and our margin will be again back to high teens maybe below 20%, is it possible? That is my question.

Dinesh Patidar: Your question on DCR, yes, we are confident that the agreement which we have done with the companies for DCR, we will get a timely supply of our requirement very easily. We have no doubt about it. Second thing is yes, the DCR cells' price has increased, but against that other raw material prices has come down. So, we believe that with planning from all sides we are confident that we will achieve our target of 24% margin.

Swarnashish: Thank you, sir. Any guidance for order inflow in this year?

Dinesh Patidar: Rs. 1,650 crores of order book we have with us.

Swarnashish: Inflow, sir, in FY'26. How much we are expecting?

Dinesh Patel: The current order will be executable in next 6-7 months. We believe with the kind of opportunity in hand we would be able to secure substantial orders. As we get new orders, we will update you.

Swarnashish: Thank you, sir.

Moderator: Thank you. Next question is from Ankur Kumar from Alpha Capital. Please go ahead.

Ankur Kumar: Sir, you are saying the minimum revenue of Rs. 3,000 crores in FY26. When are we expecting the next orders, I think we got big orders in Maharashtra. In this year from which state, we are expecting big orders?

Dinesh Patidar: We are working at different places. We are already working Maharashtra, also in Rajasthan, in Haryana, in UP, also going to do in Punjab. And we feel that we will cross this minimum Rs. 3,000 crores target very smoothly.

Ankur Kumar: Sir this government, mostly it will come in KUSUM, what is the expectation. What about the export orders also, sir?

Dinesh Patidar: On the exports you will see, the Rs. 3,000 crores target which we are telling, in that Rs. 500 crores we are planning for export. The remaining Rs. 2,500 crores in that we already have orders worth Rs. 1,650 crores. The remaining Rs. 1,000 crores of order we are seeing forming in the other states very clearly.

Ankur Kumar: And sir, will it get bifurcated equally, like last year we had 550, 570, 650 type, so this year also the expectation is same, similar quarters?

Dinesh Patidar: Please try to understand one thing. Shakti Pumps team works for bottom-line in whichever SKUs we get more profit, which states gives us more profit, we will focus on those state and we grow forward from there and work accordingly. We know that for maintaining the 24% EBITDA which all states we need to work with and which all SKUs we need to work.

Ankur Kumar: Sir, last question. Would you like to give something regarding guidance, when orders will increase, when we will get orders, what do we have?

Dinesh Patidar: You please see, now we have order book for 6 months already. Rs. 500 crores of exports and Rs. 1,650 is of domestic, totaling to approximately Rs 2,100 crores. We are very confident to secure substantial orders from new and existing states and will intimate you as and when we will get any significant orders.

Ankur Kumar: Got it sir. Thank you and all the best.

Moderator: Thank you. The next question comes from Tushar Gupta from Shagun Capital. Please go ahead.

Tushar Gupta: I want to ask about the status of the new plants?

Dinesh Patidar: The fund we had raised for increasing the capacity, that capacity of 4 lakhs for VFD is enhanced and I feel happy to inform you that from 1 lakh structures to 2 lakh structures capacity, we have completed.

Tushar Gupta: Sir, I wanted to ask one question regarding DCR cell manufacturing plant, what is the progress there? Now we have got land there also. When will we start?

Dinesh Patidar: In that we have time. We have been allotted land by Madhya Pradesh government. We are planning to move it forward. It is under planning. We will inform you about the progress.

Tushar Gupta: Okay, sir.

Moderator: Thank you. The next question comes from line of Praful Siddharth from Shravas Capital. Please go ahead.

Praful Siddharth: Hi sir, congrats on good set of numbers. I just have a couple of questions. So how many pumps were installed this quarter and the last quarter and what was the revenue from government this quarter and last quarter?

Dinesh Patel: This quarter we have installed in solar EPC 18,749 pumps and for the year 71,572. Revenue for the quarter from solar EPC is Rs. 496 crore and for the year Rs. 1,939 crores.

Praful Siddharth: And what is the revenue from exports this quarter and last quarter?

Dinesh Patel: This quarter is around Rs. 125 crore and for the year Rs. 437 crores.

Praful Siddharth: So last question, what led to the fall in other expenses from Rs. 74 crores to Rs. 55 crores this quarter?

Dinesh Patel: Are you talking about other expense?

Praful Siddharth: Yes. So, there's a fall from 74 to 55. Is there any one-off in the previous quarter? Is there any other reason for this?

Dinesh Patel: Like the execution has risen, in that service reinstatement has happened and some revenue deferment was also there. So, there were some minor changes in policies.

Praful Siddharth: Okay, sir, but quarter-on-quarter, we have broadly the same run rate, Rs. 650 crores, but other expenses there's a steep fall of around Rs. 20 crores from 75 to 55.

Dinesh Patel: So, the provision of service has been reversed because our historical trend was on the downfall side. That's why the auditor has taken a call on it.

Praful Siddharth: Got it, sir. That's it from my end. Thank you.

Moderator: Thank you. The next question comes from the line of Darshil Pandya from Finterest Capital. Please go ahead.

Darshil Pandya: Sir. Last call you discussed that we would go towards fundraising of Rs. 400 crores. Do you any plans for this year or when?

Dinesh Patidar: Yes, it is under process and as we will finish it, we will the intimate.

Darshil Pandya: Okay. Sir, In EV Mobility, what kind of revenue we are expecting this year?

Dinesh Patidar: We are in a good position and have started some production. You will see good numbers in the next quarter. We were fully on the R&D system till now and we have started production slowly. Growth will start showing from next quarter. We will give you the growth plan from next quarter onwards.

Darshil Pandya: Thank you, sir.

Dinesh Patidar: Thank you, Darshil.

Moderator: Thank you. The next question comes from Soumil Jain from Lucky Investments. Please go ahead. sir.

Soumil Jain: I have two questions. Maharashtra scheme in order book and component C from Ajmer, both are flat quarter-on-quarter. Can you talk on that please?

Dinesh Patidar: Yes, in Maharashtra we are working on that and doing a very good progress in it. Ajmer is slow because it a pilot project we are going forward step by step with the department.

Soumil Jain: Okay, when will these two order books be executed? And from component C and the Maharashtra scheme how much order do you expect in the next 1-2 quarters?

Dinesh Patidar: Quarter to quarter is fine. We are doing it. As I told you we will do a minimum of Rs 3,000 crores on a yearly basis. This is also covered in it.

Soumil Jain: Can you tell us something specific about Maharashtra and Component C?

Dinesh Patidar: Maharashtra we are working very well. Component C is a pilot project, and we would like to move ahead step by step only in this.

Soumil Jain: Okay. And sir, the current receivable run rate, are we expecting the same next year also?

Dinesh Patidar: Yes, it will be almost the same rate, but we are working towards to reduce it further. Our internal target is 120 days. We have reduced it from 178 to 152 days in FY25 despite sharp increase in

revenue. And we are trying to bring it to around 120 days and we can do it. Our historical trend is the same.

Soumil Jain: Okay. That's it, sir. Thank you so much.

Dinesh Patidar: Thank you.

Moderator: Thank you. Our next question comes from the line of Rohit Singh from Nvest Analytics Advisory LLP. Please go ahead.

Rohit Singh: Congrats for good numbers. Last quarter, we were about a minimum growth of 25% in sales and last to last quarter we were talking about in the range of 25% to 30%. But suddenly, sir, this quarter we are talking about Rs. 3,000 crore sales, which is almost 20% of growth that we are targeting for next year. So, sir, this change, why has it happened?

Dinesh Patel: Nothing has change, we are giving a minimum target. Sir, talked about in terms of revenue, that is minimum target of Rs. 3,000 crores. There is no change. The company's philosophy is same and so is the work.

Rohit Singh: And sir, on order book side, last quarter you mentioned that we have issues in supply chain. Otherwise, orders are continuously coming. We can still procure orders from government. So sir, why is there delay in getting orders because from last concall to till now we haven't got any big orders, which we had confidence that we will achieve 20% minimum we will achieve. So why haven't we received orders? And also, KUSUM B order is slowing, and we are looking more towards the KUSUM C?

Dinesh Patidar: No. I would like to clear something. We already have Rs. 1,650 crores for 6 months. How will it work if I take more orders. And Rs. 500 crores are for export, So, we have a booking of Rs. 2,100 crores. If I take any big order today, I will also have to do supply also, otherwise I will get into penalty clause.

Rohit Singh: Got it, sir. And in EV side, you said numbers will show from this quarter. What will be the contribution of this in this year?

Dinesh Patidar: We will talk about it in next quarter. I will bring another slide specifically for Shakti EV. Then we will talk about it, tie ups and sales and all that.

Rohit Singh: Got it. Thank you. All the best for the future.

Dinesh Patidar: Thank you very much, Rohit.

Moderator: Thank you. The next question comes from the line of Nikhil Abhyankar from UTI Mutual Funds. Please go ahead.

Nikhil Abhyankar: Sir, just wanted some clarification. You mentioned that you have sold 71,500 odd KUSUM pumps directly, is it?

Dinesh Patel: This is direct only.

Nikhil Abhyankar: And how much will be indirect pumps?

Dinesh Patel: Actually, we have stopped OEM in this.

Dinesh Patidar: We are not supplying to OEMs, we are doing it ourselves.

Nikhil Abhyankar: So not supplying even one pump outside?

Dinesh Patidar: No.

Nikhil Abhyankar: The revenue that you mentioned for exports, around Rs.125 crore in Q4. And in segmental, it is Rs. 89 crores for the fully year in consol. What am I missing here?

Dinesh Patel: No, total is Rs. 437 crores export. In this quarter it is around Rs. 125 crores.

Nikhil Abhyankar: Sir, in this segmental revenue, it is showing we Rs. 83 crores revenue. So, that difference, why is it so big?

Dinesh Patel: Which slide are referring to?

Nikhil Abhyankar: Sir, I am looking at the result document, the segmental information.

Dinesh Patel: No, it's coming same.

Nikhil Abhyankar: India revenue and annual revenue in consol overseas, Rs. 83 crores.

Dinesh Patel: I will tell now, sir. This Rs. 83 crore that you seeing is of the two subsidiary revenues only, FZE and USA.

Nikhil Abhyankar: Okay, so apart from that, those direct from India…

Dinesh Patel: Yes, complete, the direct also in Rs. 125 for the quarter.

Nikhil Abhyankar: Okay, sir. Thank you.

Moderator: Thank you. The next question comes from Deepak Purswani from Swan Investments. Please go ahead.

Deepak Purswani: Hello, sir. Congratulations for a good set of numbers. Sir, I wanted to understand, that in the presentation we have mentioned, we are actively participating in other states as well, in MP and Punjab. So, if you can tell about it how the tendering is happening there and how big is the opportunity is like or how we are seeing in the next 3, 6 or 12 months? So that would be really helpful.

Dinesh Patidar: Okay, I will tell it again. In the coming time, we have put the minimum guidance of Rs. 3,000 crores seeing the business in these states. And the state wise planning also is done. We will receive orders from Maharashtra, Rajasthan, Haryana, UP and most recently we have received a new order from Punjab. As soon as we get orders, we will update you.

Deepak Purswani: Yes sir, but specifically if you can share how much opportunities is there in MP?

Dinesh Patidar: We will inform as soon as it comes.

Deepak Purswani: Sir, if something from the payment terms, especially related to the Maharashtra state, are we seeing any payment delays or are they coming on time?

Dinesh Patidar: Total, you see that we have done a such good job. We have brought down from 178 days and 152 days. So, for this to our team needs a big appreciation. And next target is for 120 days. And we have done it with increase in revenue.

Deepak Purswani: Okay. Thank you.

Dinesh Patidar: Thank you, Deepak.

Moderator: Thank you. The next question comes from the line of Varun from Equitree Capital. Please go ahead.

Varun: Hi sir, congratulations for good set of numbers. A couple of questions. First, installation from last three quarters has been around 18,000-19,000 pumps. So, has there been any execution challenges? What would you like to tell about it? And secondly, our market share is also seen to reduce across the overall orders. So is there a decline in market share? So is there any reason for that? Is it competitive pressure or what you have to say on that?

Dinesh Patidar: Yes, sir. You first question, about the competition, that market share is going down, I have told you earlier also, that we would like to work in those states in which we get support on margin. We like to work on those SKU where we get more profit margin. So, what I was telling is, we will work only on those states where we get timely payment delivery. We will only work in those products, those SKUs where there is a chance of making good margin. I will tell that there is a big market opportunity. We will welcome more competition. Let all those who wants to come, we won't be able to supply 4.5 crores pumps alone. So, we would like big players to come, and we will work together to serve the India solar pumps efficiently. Yes, we would be the leader

and also maintain the margin. But we won't like to run behind the numbers and reduce the profit in balance sheet.

Varun: You mentioned that where money you are getting, are there any states where there is an issue that you see?

Dinesh Patidar: Where we are working now, we are getting regular and timely payment, that is why we are working.

Dinesh Patel: That is why the debtor days have come down.

Varun: Right. And regarding installation of pumps

Dinesh Patidar: No problem in installation. We have developed mobile apps in power electronics, and we have SAP, bought another software by the name Sales Force, so all the schemes are being able to be executed very well. We don't see any challenge in installation.

Varun: In that you should see growth in coming quarters?

Dinesh Patidar: Right, it is with the Rs. 3,000 Crores which is incoming.

Dinesh Patel: What sir is repeatedly telling is, we are concentrating on the revenue itself.

Varun: But your CAPEX status is getting delayed, your plan to double the capacity. So, when will that start because it is already delayed?

Dinesh Patel: No, there is no major delay. As sir has already told you, we have already installed capacity of VFD and the structural capacity is almost installed. As far as the pump and motors is concerned, that was also working as per our target. We are publishing the monitoring report regularly in every quarter and you can see that there is no major delay in that.

Varun: No, you have in the utilization report that which was going to happen in June 24 will happen now in May.

Dinesh Patel: If you see, the completion date of March 26th we moved it to June 26th. There is not much delay.

Dinesh Patidar: We can't say it is a delay, Varun.

Dinesh Patel: 3 months is not a delay, sir.

Varun: Okay, sir, I will get back in the queue. Thank you.

Moderator: Thank you. Our next question comes from Prateek Bhandari from Art Ventures. Please go ahead.

Prateek Bhandari: Sir, what will be our domestic to export revenue mix going forward?

Dinesh Patidar: Yes, I told you the previous call that of the Rs. 3,000 crores, Rs. 500 crores is from export. So, the mix? It will be around 17%.

Dinesh Patel: We have been maintaining around 20%.

Prateek Bhandari: 20% exports?

Dinesh Patel: Yes.

Prateek Bhandari: Any new areas in the export market?

Dinesh Patel: Yes, our sales team is always on world tour and always get new dealers.

Prateek Bhandari: Sir, how much difference is export and domestic in margins?

Dinesh Patel: We have given average guideline of 10% as compared to domestic difference.

Prateek Bhandari: Okay, sir. Thank you.

Moderator: Thank you. Next question comes from Amit Kumar from Determined Investments. Please go ahead.

Amit Kumar: Thank you so much for the opportunity sir. Our exports in FY25, of Rs. 2,500 crore revenue, how much will it be?

Dinesh Patel: Rs. 437 crore, sir.

Prateek Bhandari: Okay. Thank you so much.

Dinesh Patel: Thank you.

Moderator: Thank you. Next question comes from Mohit Jain from M Capital. Please go ahead.

Mohit Jain: Sir, my question was, state-wise break-up, in presentation our execution in UP has either come down or has been very slow and it seems that we have done more execution in Maharashtra state. So, can you give some guidance on this?

Dinesh Patel: Actually, in Maharashtra orders were also big. So, execution will be more there. Where the order size is small the execution will be only of that size.

Mohit Jain: Sir, the UP order which came very less execution happened in the last 2 quarters, is there any issue in execution there?

Dinesh Patidar: No issues. We ourselves are slow in UP. We have moved little material there. The clarity needs to come from their side regarding 75% or 90% subsidy, so as soon as the clarity comes we will increase the pace. We proceed considering all these things step by step.

Mohit Jain: In June quarter also, UP it will be slow, there won't be much execution?

Dinesh Patidar: This quarter, UP should do well.

Mohit Jain: And in Maharashtra, the letter of intent, the empanelment which happened for 25,000 pumps, so is there any possibility of order execution?

Dinesh Patidar: I will tell you. I am very happy telling you this, it is good that you asked this question. All investors must know that Shakti Pumps brand is doing so well that out of the 25,000 pumps requirement, Maharashtra government opened portal for 15,000 pumps and in less than 3 hours of opening, the portal was full, it means that our customers were waiting for us that we were able to achieve in 3 hours. Which our competition was not able to do it in 3 months of time. So, I am very happy in telling you this. Good that you asked and it will give clarity. Everyone will get clarity or else it would have missed.

Mohit Jain: Has the execution begun?

Dinesh Patidar: Yes, going on.

Mohit Jain: Yes. Thank you so much. That's all from my side. Thank you.

Dinesh Patidar: Thank you.

Moderator: Next question comes from Vivek Gautam from GS Investment. Please go ahead.

Vivek Gautam: Our solar cell plant, various solar cell capacity is coming very well in India. So, would we still like to go for this heavy CAPEX thing and lowering our ROE, ROCE or will we wait and take a call going forward in solar cell?

Dinesh Patidar: Vivek, our understanding is that whatever capacity has come in India, there is more requirement in Solar Pumps, Surya Grah and in KUSUM and India's requirement is much higher than that. Now the capacity has come very low. So that is why for starting we are having a plan of 2 Giga and our consumption, now you see the Rs. 3,000 crores that we have planned, so around Rs.1,200-1500 crores solar cell is going to be installed for us alone. And in the coming times, when any solar manufacturer delays giving the solar cell, then we would be like to be self-reliant, that is why we are putting up this unit because we don't need to depend on solar manufacturer. And our requirement is going to increase day by day in the coming days. In 4-5 years, the solar cell requirement will go much higher in India. That is why we have a plan to install this plant. And now you see that the margin that is visible in DCR cell, margin that available in the price of cell, our vendors with whom we purchase because demand supply is the matter, so price is

also the matter. The solar cells are available in China, but here we are purchasing at a price higher of 30%-40% price. This is also an issue. We believe that if we install a plant of 2giga then we will be confident that we will be able to supply for KUSUM on timely manner. Because we have heavy investment. We will reach to the capacity of 10 lakh pumps, then our solar requirement will be 10 Giga. So, we want more domestic manufacturers to come forward and install their solar plant. We are putting this plant to keep our confidence level high. That will support us. That's we are putting it.

Vivek Gautam: Earlier you were saying there is shortage of solar cells but has improved a lot. There is no such criticality because of which you needed to diffuse the order.

Dinesh Patidar: Vivek, you will be happy to know that we are biggest domestic purchaser of KUSUM and we are also not getting timely supply. That is why we are going step by step. The people with whom we have agreement today; we see same amount in a year. We can get more, but it is still not evident.

Dinesh Patel: And when more development is there, we will update you.

Vivek Gautam: And sir, there is some talks about KUSUM 2.0. The government's focus was on the replacement of crude with solar power and expenditure in setting up grid facilities, is very expensive and government of India is also making big plan ahead in KUSUM.

Dinesh Patidar: I have already informed investors, if this subsidy business is stopped, then we will do much bigger business. Because the solar pumps requirement is there in the country and they need pumps in the country. Farmers have seen that, and their confidence has also increased. In Rajasthan and in many other states, 40% farmers use there allocated share and are buying pumps. So now I don't think in the coming years, there is going to be any dependency on the Government because the cash market is also opened.

Vivek Gautam: And sir is our payment getting delayed because of this Ladli Behen Yojna? Different states government's money is going there so could there be any issue of receivables?

Dinesh Patidar: If there had been a negative impact of Ladli Behen Yojana, then how could have we brought down the debtor days from 178 days to 152 days?

Vivek Gautam: You right, sir. And exports, what kind opportunity size is it? Apart from Uganda, Bangladesh, has also had setback because of government change.

Dinesh Patidar: No, okay. Bangladesh is a very small country. We will share plans as and when we got any confirmation. And as we said, we will do revenue of Rs. 500 crores in exports.

Vivek Gautam: Okay, sir. Thank you, sir.

Dinesh Patidar: Thank you.

Moderator: Thank you. Our next question comes from Chandan Kumar, a Retail Investor. Please go ahead.

Chandan Kumar: Hi sir. Thanks for the good numbers. I want to know, there is a tender in Orissa, in which I have seen that there is shakti pumps in empaneled but in PPT we have not mentioned about Orissa. So, do we believe that it will not be allotted to us?

Dinesh Patidar: It is small then why will we tell you about it if it is small, and we are going to start it. And if there will be big orders coming from there. We will inform you for sure. But we do not inform others about the agreement, that is why you wouldn't have seen it in our PPT. Whenever big orders come, we will definitely tell you.

Chandan Kumar: Sir, there is one more question. Component C is coming in big numbers in many states. Why don't we have agreement with some others and supply pumps and some parts they look into, in component C, in AP, Maharashtra, lot of new tenders are coming, and we are focusing less on that. So, can we get more clarity on component C?

Dinesh Patidar: In component C there is still confusion. We will clear it. When clarity is there then we will tell you and we will also work on it. If we ourselves are not clear how can we tell you about it?

Chandan Kumar: Thank you, sir.

Dinesh Patidar: Thank you, Chandan.

Moderator: Thank you. The next question comes from Jainam from Saltoro Investments. Please go ahead.

Jainam: Hello, congratulations on a very good set of numbers. This slide #33, in this particular presentation about the retail and cash business which I wanted to understand what opportunity you see in there, if you could elaborate a bit?

Dinesh Patel: Jainam, we have started making exclusive counters pan India. But it is in initial phase, so we are not committing big numbers. But yes, as sir give you guideline, that even if we lose the business with government, then we would like to do it in retail. And for that we have started the preparation, and we are getting good response pan India, and we have already made 80 dealer distributors till date for solar**.**

Jainam: That's great. I also wanted to understand, I think the debt limit, that has been increased from Rs. 1,000 crores to Rs. 2,000 crores, we wanted to get some understanding on the same if you could throw some light.

Dinesh Patel: Actually, if you know, our government business has 3% performance guarantee which we are supposed to give. As the numbers increase, like for this year minimum guidelines of Rs. 3,000 crores and the growth that are according to that, bank guarantee plus for LC, all the solar panels are LC based procured. So, we have to arrange for a minimum working capital. As the orders would come to us, so we have to increase the credit line.

Dinesh Patidar: We need to give LC to the DCR cells suppliers in advance. Then they start production. Like in advance we need to give LC or if cell is to be imported from China and given to them. So, in that working capital is on us. That is why we are installing solar plant using Rs. 1,200 crores. If we want to open LC of 120 days and also need to buy cell too in advance, need to pay cash also, booking also need to be done, so why don't we start our own plant.

Dinesh Patel: Our working capital is already infused.

Jainam: That is very correct. Backward integration for the solar plant must be on it seems given how the situation is. Congratulations and all the best. you. Thank you.

Dinesh Patidar: Thank you, Jainam.

Moderator: Thank you. The next question comes from the line of Rahul Ranka from Kushal Investments. Please go ahead.

Rahul Ranka: I wanted to know, a year later, one year from now, what can be the order book which we might have?

Dinesh Patel: Sir, already told you that the target is Rs. 3,000 crore minimum and the Rs. 1,650 crores of order book already there. Apart from that, the export is of Rs. 500 crores expectation. So, I think there is sufficient order book in hand. In future whatever order we will receive, will intimate you.

Rahul Ranka: No, sir I wanted to understand, the order book in future, definitely sales Rs. 3,000 guidance or margins, that will be understood for next one year. But after a year, do we have that sufficient from where we can get growth forward.

Dinesh Patel: Sir, big opportunity rests with solar, as told by sir already. So, now we are saying that it has just started. Still, lot of work is pending in this segment. 30 lakh pumps MP government has agreed, 35 lakhs pump Maharashtra government has said, this much big market is a big thing.

Rahul Ranka: Because last year and last 1 or 2 years, our order book twice than sales. But 6-8 months we have order book. So, that be refilled or not? That is my question.

Dinesh Patidar: The sale was also less in previous years. In previous years, 900 crores, 1,300 crores and then 2,500 crores.

Rahul Ranka: So, compared to that, we had double orders also.

Dinesh Patidar: I'll again tell you. Our minimum guidance is Rs. 3.000 crores and today we have visibility of Rs. 2,100 crores. So, today also we are double. Now the whole year is pending, the remaining order will come, right. Order Inflow will be there.

Rahul Ranka: Because of the previous trends, the book should be of Rs. 5,000 crores - Rs. 6,000 crores compared to last few years.

Dinesh Patidar: Okay. Next coming years we will see.

Rahul Ranka: Thank you, sir.

Moderator: Thank you. The next question comes from the line of Ajay Surya from Niveshaay. Please go ahead.

Ajay Surya: Sir, this KUSUM Yojana is ending in FY'26 and you are saying that there is discussions in the industry in which the new KUSUM Yojana is coming. So sir, question is that this KUSUM Yojana was for 14 lakh pumps component B. So, the coming yojana is of what size, in which timeline it will come, please could you highlight on that?

Dinesh Patidar: Ajay, again I am tell you, this KUSUM which is running, there is a requirement of 4.5 Crores pump. This is pilot project and planning is going on towards this. Nobody is saying that KUSUM is going to end or KUSUM 2 is going to come or KUSUM 3 is going to come. Government is thinking in its level. Companies are thinking on their own level. And Maharashtra Chief Minister said he want to install 35 lakh pumps. Madhya Pradesh Chief Minister statement is that he wants to install 30 lakh pumps. So, what is the value of the 30 lakh and 35 lakh pumps? I have to calculate the value of 65 lakh pumps. So that's big market. Leave the problems aside, everything is very good and we are climbing up step by step. You must have seen our sales this year and last year. And in coming years also we will do good sales. We will understand the market and move forward.

Ajay Surya: Okay, sir. Thank you very much.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, we will take this as our last question. I will now hand the conference over to Mr. Dinesh Patidar for closing comments.

Dinesh Patidar: Thank you very much all for coming. I am happy that I am able to answer all your questions. If you have any more questions you can write to our EY team. You can contact us also. We will answer all your questions. Thank you very much. Once, again, it was a very good year. We will also perform well in the coming years. Thank you very much.

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

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