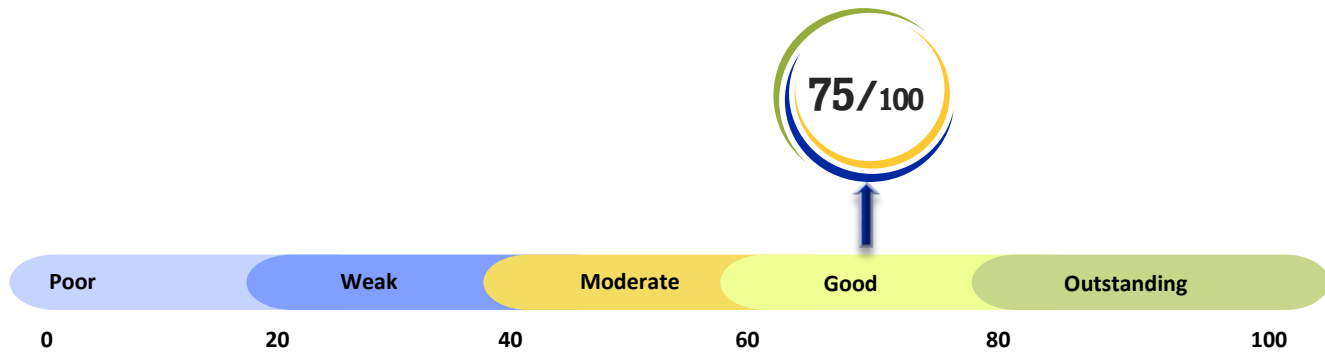
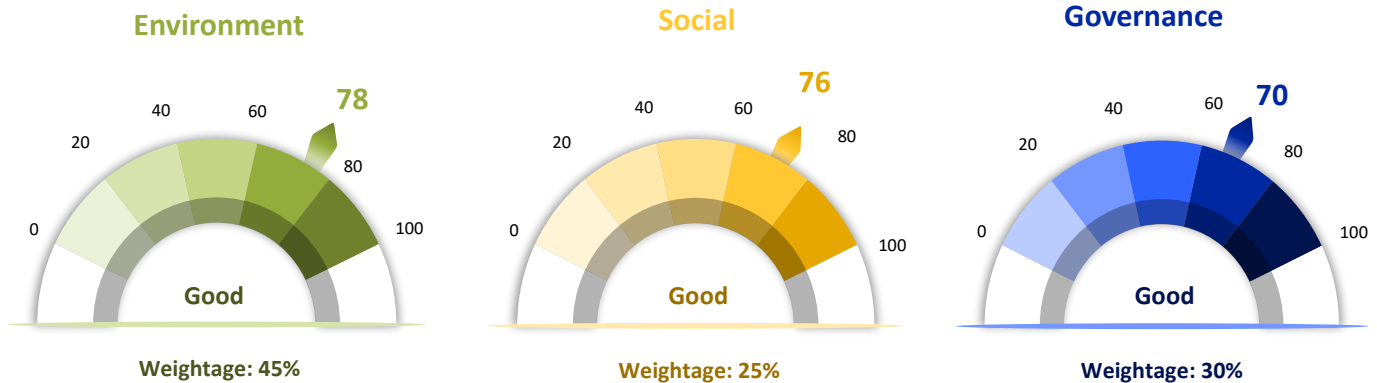


October 10, 2025

Shakti Pumps (India) Limited: Rating assigned**Summary of rating action**

Shakti Pumps (India) Limited	Previous Score	Current Score	Rating Symbol	Rating Movement
ESG Impact Rating	-	75	Good	-

**Rationale**

ICRA ESG has assigned an **overall ESG Impact Score of 75** to **Shakti Pumps (India) Ltd or SPIL**, reflecting the company's initiatives in minimising its environmental impact, led by sustainable procurement practices, waste recovery processes and water management focus. In addition, its pursuit of green building certifications, and a net-zero roadmap under development indicates focus. This apart, the company maintains a safe work environment by implementing occupational health and safety measures and offers well-rounded benefits and welfare programmes to its employees.

Given the initial stages of ESG strategy formalisation, time-bound targets for energy and emissions reduction are still under development. The environmental score is also constrained by moderate renewable energy adoption and the absence of biodiversity initiatives, while the narrowly focused CSR strategy limits the overall social impact.



Environment

78 (Good)

SPIL manufactures water pumps, an industry, wherein energy consumption, emissions, water usage, and waste generation are moderate, compared to other heavy manufacturing industries. SPIL's Environmental Impact Score of **78 (Good)**, recognises the company's good performance across several key environmental parameters. Due to the nature of the manufacturing process, the company has been reporting low GHG emission and air emission intensity. It has implemented key measures such as limited diesel generator usage, a shift to PNG gas and alignment with ISO 14001:2015 Environmental Management System standards and has demonstrated operational efficiency improvements, including energy-saving technologies and solar power installations that generate ~164 MWh per month, contributing to electricity cost savings. Additionally, the company's clean production processes do not require chimneys or exhaust systems, helping to reduce emissions.

SPIL's engagement with the PM-KUSUM scheme underscores its contribution to clean energy transition and agricultural sustainability. By supplying energy-efficient solar pumps to farmers at subsidised rates, the company enables reliable access to power for micro-irrigation, which in turn reduces wait times for energy availability and enhances crop quality. Consequently, SPIL's products can enhance farm productivity, optimise operational costs and play a role in enabling inclusive, low-carbon development.

SPIL's energy intensity is moderate, which supports the energy management profile. However, it is able to use only 7.66% of its energy requirements through renewable energy, which has declined compared to 14.95% in FY2024, primarily due to expansion in production and consequent revenue growth. ICRA ESG, however, notes that SPIL has already implemented maximum solar capacity in its existing plants and is planning additional rooftop solar installations and wheeling arrangements for the upcoming facilities. Since the new solar capacity will take time to operate, primarily in upcoming capacities, the proportion of renewable energy consumption is expected to be modest in the short term. The company is also planning to get green building certification for these new facilities and has developed some internal energy efficiency targets, indicating its focus on sustainability initiatives.

In terms of water management, SPIL maintains a low water consumption intensity with minimal dependence on groundwater usage, rainwater harvesting and zero liquid discharge (ZLD) and full treated water across its plants. In addition, water used for product testing is consistently recycled, and drip irrigation systems are installed across landscaped areas. The ZLD processes are designed to minimise environmental impact, and clean-room infrastructure at SPIL's Electronics & Communication (E&C) plant. However, at present there are no water neutrality policies in place. Similarly, in waste management, generation is low, and the company is able to implement an adequate circular economy approach as is prevalent in this business. Moreover, transitioning to plastic-free, recyclable packaging lowers its resource consumption. The company has commenced disclosing its major waste categories and generation in FY2025 and yet to take up waste-related formal targets.

SPIL has been practising value chain sustainability with sustainable procurement being a key aspect. It undertakes detailed assessment of its tier-1 suppliers, which is further supported by ISO certification requirements and audits. Approximately 80% of the value chain partners were assessed for environmental impacts, covering energy use, emissions, water, and waste. However, the percentage of sustainably sourced inputs is not yet formally mapped or disclosed.

While these factors enable SPIL to embed sustainability into its operations and supply chain, the company's tracking of its impacts—including Scope 3 emissions—has improved, with formal reporting now in place, although external assurance has not yet been conducted. Moreover, while its vision statement references goals such as no accidents, no liquid discharge, and a zero-carbon footprint, the company is yet to adopt measurable and time-bound reduction targets to manage its environmental impact. Implementing such targets across all environmental aspects, along with associated action plans, would enhance SPIL's environmental profile going forward. Although the company has not identified any major biodiversity-related risks across its operations or supply chain, it acknowledges minor impacts within certain segments of its value chain. Currently, there are no widespread biodiversity-related initiatives in place. However, small-scale activities—such as incorporating plantation varieties within site premises—indicate an emerging awareness and potential for future engagement in biodiversity enhancement.



Social

76 (Good)

The Social Impact Score of **76 (Good)** reflects the company's commitment to social responsibility including human rights, across its stakeholders through responsible business conduct. With respect to human rights, the company has regular trainings on associated aspects and conducts periodic audits to take corrective actions. These practices cover the supply chain as well. ISO 9001:2015-certified quality systems and established cybersecurity protocols enable responsible business conduct; however, the complaint tracking process and grievance resolution are manual, and no instances of customer complaints have been reported. The company's occupational health and safety measures along with the moderate risk nature of operations, enable it to maintain minimal workplace injuries. In FY2025, the company reported a Lost Time Injury Frequency Rate (LTIFR) of 0.40 for workers and zero for employees, with no fatalities or high-consequence injuries. Employee benefits include comprehensive health and accident insurance to including that for contractual staff. Employee attrition stood at 10.24% for permanent employees in FY2025, reflecting a stable workforce, however, a 181:1 pay ratio between top management and the median employee, often observed in the manufacturing industry, and a notable gender wage gap, remain areas of improvement. Female representation at the corporate level remains limited (7%), and the inclusion of differently abled employees is minimal, indicating scope for inclusivity measures. At the operational level, the E&C plant has a workforce comprising approximately 80% women, reflecting efforts to enhance gender diversity to an extent.

In terms of community engagement, the company's support towards local employment, with 85.18% of total wages being paid in rural and semi-urban areas, leads to positive community impact. The company's product also has indirect positive impact towards its users' livelihoods. Notably, SPIL supports rural artisans and farmers through the provision of solar pumping solutions, which enhance agricultural productivity and livelihoods.

SPIL's CSR strategy remains targeted mainly, to educational initiatives in specific regions reflecting limited diversification into other areas of social need. Key initiatives included construction of a Higher Secondary School in a village area, rural development, and support for the National Apprenticeship Promotion Scheme. However, formal third-party impact assessments and a structured volunteering programme are yet to be developed. The CSR budget remains modest at Rs 2.06 crore and in line with required compliances, given the company's healthy financial performance, its ability to contribute more meaningfully towards social responsibility will be a key social impact factor going forward.



Governance

70 (Good)

The Governance Score of **70 (Good)** reflects regular engagement at investor and board level and adequate committee structures. The roles of the Managing Director and the Chairperson are held by different individuals, supporting board independence and balanced decision-making. While the company has 50% board independence with members having expertise across various fields, a higher level would offer benefits of diverse and independent views. The board committees—including Audit and Stakeholders Relationship—are chaired by Independent Directors, reinforcing governance strength. Gender diversity in leadership and the board is some of the improvement areas. The company's CSR and Risk Management Committee oversee sustainability-related matters and has supported it in planning R&D focused on improving the environmental and social impact. The strong R&D setup towards process efficiency and product development are favourably factored into SPIL's sustainability governance. SPIL publishes integrated sustainability reports, which align with the core BRSR framework, though it has not obtained third-party assurance for ESG disclosures. Consequently, it is yet to align its sustainability reporting with global standards like GRI. ICRA ESG also notes that SPIL is yet to implement a regulatory technological (reg tech) system to streamline compliance and regulatory processes.

Key Rating Drivers



STRENGTHS

- Established sustainable procurement practices and supplier monitoring:** SPIL has implemented sustainable procurement practices through a Supplier Quality Assessment system that evaluates vendors on environmental compliance, ethical labour standards, energy efficiency, waste management, and responsible resource use. Suppliers are selected based on their alignment with the company's ESG principles, including the use of recyclable materials and eco-friendly manufacturing processes. Regular audits are conducted to assess supplier performance across parameters such as carbon footprint, water usage, waste disposal, and human rights adherence. In FY2025, ~80% of the value chain partners were assessed for environmental impacts, supporting the company's commitment to strengthening local value chains and minimising impact.
- Low environmental footprint:** SPIL's manufacturing processes have modest carbon and air emissions, supported by moderate energy consumption levels. The company's operations follow a ZLD policy with limited groundwater dependency and modest water consumption intensity of 9.89 m³ per Rs. crore. Further, SPIL's waste generation intensity stands modest at 2.55 tonne per Rs. crore which, along with sustainable packaging solutions and recycling policies supports its resource efficiency goals. SPIL uses advanced monitoring systems to track and optimise water use and recycles water through effluent treatment plants (ETP) and sewage treatment plants (STP), with recycled water used for gardening and landscaping. Rainwater harvesting systems further supplement conservation efforts.
- Presence of an Integrated Management System (IMS):** SPIL has implemented an IMS that enables it to improve and maintain Quality (ISO 9001:2015), Environmental (ISO 14001:2015), and Occupational Health & Safety (ISO 45001:2018) standards, which support operational efficiency. The company's vision of zero accidents, zero carbon, and zero liquid discharge is embedded within this IMS policy. This is renewed annually and includes an ISO 50001 adoption plan.
- Research and development (R&D) focused on sustainability:** The company has been focused on developing high efficiency motor and pump solutions and has a DSIR-approved lab with an annual R&D investment of ~2% of its revenue. The company holds 15 patents and is working on adding more, including advanced solutions, including smart IoT systems for real-time monitoring and predictive maintenance, enhancing efficiency in collaboration with few IITs and various Government programmes. Consequently, SPIL's products align with sustainable product design, and its processes integrate ESG principles to an extent. All R&D expenditure is directed toward improving environmental and social impacts, including energy-efficient designs and solar-powered technologies. The R&D facility is supported by IIT Delhi under the Government of India's Advanced Invention Scheme and includes computerised test benches for validating durability, discharge, and energy efficiency.



STRENGTHS

- **Positive product impact of solar pumps:** SPIL's solar pump products contribute to sustainable agriculture by offering energy-efficient irrigation solutions that reduce dependence on diesel and grid electricity. These pumps deliver higher discharge, improving water-use efficiency and crop productivity. Through Government schemes like PM-KUSUM and Surya Ghar Muft Bijli Yojana, over 1.5 lakh solar pumps have been installed, enabling farmers to improve their livelihoods in off-grid rural areas with access to reliable and clean energy at lower irrigation costs. The integration of smart controllers and IoT-based monitoring further enhances operational efficiency and supports climate-resilient farming. SPIL derived ~76% of its FY2025 revenues from solar pumps, supported by the ongoing schemes. As per the company, SPIL's solar solutions have replaced over 300 MW of diesel pump equivalent capacity, contributing to significant emission reductions.

WEAKNESSES



- Early-stage ESG integration with limited target setting:** SPIL has articulated broad ESG priorities through its vision statement and remains at a nascent stage in its formal ESG journey. With a gradually improving ESG disclosure, SPIL is yet to receive third party assurance, adopt science-based frameworks like the Science-Based Targets initiative (SBTi) etc, and have measurable, time-bound targets across key environmental dimensions, including emissions reduction, water conservation, renewable energy adoption and biodiversity enhancement. On the social front, while SPIL reports zero fatalities and low injury rates, it has not committed to structured safety performance goals or a zero-injury vision as well as stated targets to improve diversity and inclusion. The absence of defined goals and frameworks limits the ability to track progress and benchmark performance against industry standards.
- Low share of renewable energy in operational mix:** In FY2025, SPIL's renewable energy usage declined sharply to 7.66% from 14.97% in FY2024, primarily due to increased production volumes. The company has already exhausted its sanctioned renewable energy capacity of 500 KW, which restricts further expansion under the current state-level provisions and awaits regulatory clearance for higher sanctioned capacity. SPIL is planning to set up a green certified corporate office, which will support better energy consumption metrics. It is also supporting the setting up of a 2.2 GW solar DCR cell and PV module manufacturing facility in a subsidiary. Its current operational energy mix remains heavily reliant on conventional sources and will remain so in the near term. However, ICRA ESG notes minor improvement in energy intensity in FY2025, indicating better efficiencies.
- Absence of widespread CSR strategy and spending:** Currently SPIL's CSR remains focused mainly on education with no formal impact assessments of CSR activities. Despite strong business growth, the CSR budget allocation remains relatively modest, indicating a wider opportunity for social investment. The company has plans to diversify CSR spending with more structured monitoring, ability to implement which will be a rating monitorable.
- Scope for improvement in board composition and diversity:** SPIL has only one mandated woman director on its board, which constitutes 10% of the board members. Moreover, there are no women in Key Management Personnel (KMP) positions, signalling a lack of gender diversity at senior levels of leadership. There is a scope of improvement in the board independence level beyond statutory limits as the best practice. Company level diversity stands at 7.31%.

Rating Sensitivities



Positive Factors:



SPIL's ESG rating could improve with the adoption of specific, time-bound sustainability targets, including those related to energy and GHG reduction, and improving renewable energy usage. Formalisation of a biodiversity policy would further strengthen the environmental rating. On the social front an increase in both the CSR budget and the breadth of initiatives, especially if supported by structured impact assessments and a strong employee volunteering culture, could be a rating positive factor. An equitable pay structure, addressing the gender wage gap, and enhancing diversity and inclusion are some areas that are likely to have a positive impact. The governance score could benefit from a higher board independence and diversity, Chairperson role separation, third-party assurance of sustainability data, and alignment with global frameworks.



Negative Factors:



The environmental rating may decline if renewable energy adoption weakens or if resource consumption substantially increases. Weak public disclosures, non-compliance with standards, or deterioration in sustainable procurement practices could further impact the score. The social rating could be affected by a continued rise in attrition, occurrence of health and safety incidents, weak CSR spendings and failure to monitor suppliers on health, safety, and human rights aspects. Adverse comments from auditors or other relevant authorities, or the emergence of material litigation, regulatory penalties, or continued unresolved grievances from key stakeholders would be key rating monitoring factors for the governance rating.

Analytical Approach

Analytical Approach	Comments
Rating methodology	ESG Impact Rating Methodology
Rating scale	ESG Rating Scale
Last review date	NA
Data Availability	Excellent
Rating boundaries	For arriving at the rating, ICRA ESG has considered the standalone operations of the company. ICRA ESG has further taken into consideration the ESG-relevant information available in public domain and shared by SPIL along with discussions with its key function heads during multiple management meetings.

About the company

Shakti Pumps (India) Ltd. (SPIL), established in 1982 as a partnership firm by Shri Manohar Lal Patidar, Shri Chandrasekhar Patidar, and members of the Chaudhary family, and later converted to a public limited company in 1995, is an integrated manufacturer of solar and energy-efficient pumping solutions. The company manufactures solar, submersible, pressure booster pumps, motors, controllers, inverters, and other components required for solar pump installations. SPIL also produces equipment for electric vehicles and solar rooftop systems. The company operates through four manufacturing units in Madhya Pradesh, with a combined installed capacity of 0.8 million units per annum. It has in-house capabilities for manufacturing critical components such as VFDs, inverters, motors, and solar structures. It supplies products to Government projects, industrial clients, OEMs, and retail customers. SPIL is a key participant in the PM-KUSUM scheme and holds a healthy market share in solar pump installations under the scheme.

The company has a presence in over 100 countries and is part of the International Solar Alliance (ISA). It has executed projects in regions including Africa, West Asia, Southeast Asia, and North America. SPIL has received 15 product patents and maintains a certified R&D facility recognised by the Department of Scientific & Industrial Research (DSIR), Government of India.

In FY2025, SPIL reported a standalone revenue of Rs. 2479.10 crore, PAT of Rs.393.63 crore and tangible net worth of Rs. 1061.64 crore. On a consolidated basis, it is executing a Rs.1,700-crore capex plan, which includes doubling existing manufacturing capacity and the setting up of a 2.2 GW solar DCR cell and PV module plant in Pithampur, Madhya Pradesh.

Key ESG Indicators

Parameters	Unit	FY2025
Environment indicators		
Energy intensity	MJ/ Rs. crore	8285
Renewable energy consumption	%	7.66
Water consumption intensity	m ³ / Rs. crore	9.89
Waste generation intensity	tonnes/ Rs. crore	2.55
Social indicators		
Employee turnover	%	10
POSH complaints reported	Number	0
Income inequality ratio	Ratio	181
CSR inhouse volunteers	Yes/No	Yes
Governance indicators		
Presence of reg-tech system	Yes/No	No
% of women in BOD	%	10
% of women in KMP	%	0
Average attendance in board meetings	%	100
Emission reduction target aligned with 1.5 dc pathway	Yes/No	No

Source: Company, ICRA ESG's analysis

Common Directors (if any): None

Source of Information

While assigning the ratings, ICRA ESG has considered the standalone operations, and the sustainability aspects disclosed through Business Responsibility and Sustainability Reporting (BRSR), Integrated Annual Report, and other sustainability disclosures in the public domain along with the inputs received from the discussions that ICRA ESG analysts has had through management meetings.

Status of non-cooperation with previous ERP: Not applicable

Rating history for past three years

S. No.	Current Rating		Previous Rating		
	Parameter	Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023
		October 10, 2025	-	-	-
1	ESG Impact Rating	75, Good	-	-	-

Source: ICRA ESG Ratings

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