

Shakti Pumps Ltd.

Nifty: 25,876

CMP: Rs. 749

Target Price: Rs. 931

Capital Goods

Shakti Pumps delivered a resilient Q2FY26 performance amid seasonal headwinds, supported by strong execution in KUSUM schemes, and continued traction in retail and exports. While revenue growth was moderate due to extended monsoon and state level delays, profitability remained robust with EBITDA margins above 20%. With an order book of 1,300 crore, easing raw material costs, and strategic backward integration through its 2.2 GW solar cell and module plant, Shakti is well-positioned for sustained growth. We maintain BUY recommendation with a revised TP of INR 931, based on a PE(x) multiple of 20x on FY27E EPS.

Financial Highlights

- Q2FY26 revenue grew 5% YoY to Rs. 666 crore, with H1FY26 reaching Rs. 1,289 crore (+7%), supported by sustained execution under KUSUM and rising retail sales.
- EBITDA stood at Rs. 136 crore (20.4% margin), maintaining healthy profitability despite raw-material inflation; PAT came in at Rs. 91 crore for Q2.

Operational Highlights & Business Segments

- The Order Book: The current order book stands strong at Rs. 1,300 crore as of November 7, 2025, providing strong visibility for H2.
- Solar Pump Installations: The core business continues to show robust volume growth.
 - Q2 FY26: 22,304 units installed, a growth of 21% YoY.
 - H1 FY26: 39,861 units installed, a growth of 19% YoY.
- Retail Business: This segment is gaining significant traction, with sales surging 67% YoY to Rs. 43 crore, driven by a network of over 100 exclusive outlets.
- Solar Rooftop Business: Management is highly optimistic about this new venture, company has established a network of 57 channel partners and trained over 400 installers across Rajasthan, UP, and Maharashtra.
- Export Business: Exports are showing momentum, recording Rs. 103 crore in Q2 and Rs. 200 crore in H1 FY26.
- Receivables at 1,639 crore as of 30 Sep 2025; management targets normalization to 120 days by year-end

Outlook & Valuation:

FY26 Outlook: Guidance Maintained with Margin Stability

Management reiterated 20%-25% revenue growth for FY26 with EBITDA margin guidance of 20-21%. Execution expected to accelerate in H2 with improved payment flow under KUSUM and RMS cycles.

Backward Integration: 2.2 GW Solar Cell & Module Plant (Pithampur)

Capex of 1,200 crore for an integrated DCR-compliant solar cell & module facility (2.2 GW). Project commissioning is targeted by Mar 2027, enabling cost savings, import substitution, and eligibility for ALMM-linked projects.

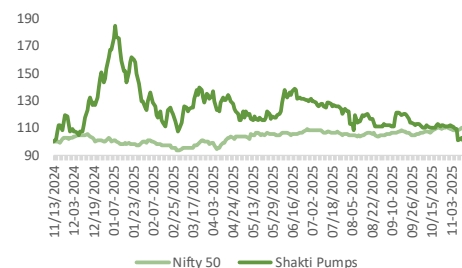
Capacity Expansion & Diversification

Ongoing 500 crore capex plan includes doubling pump/motor/VFD capacity and establishing a dedicated EV motor & controller facility. The company is also scaling rooftop solar and EMI-based retail installations through 57 channel partners.

Shakti Pumps remains a structurally strong play on India's rural electrification and renewable energy. With its backward integration initiatives, planned entry into the solar rooftop segment, and a healthy pipeline of upcoming orders, the company offers strong earnings growth visibility for coming years. We maintain BUY recommendation with a revised TP of INR 931, based on a PE(x) multiple of 20x on FY27E EPS.

Shareholding (%)	Sep-25
Promoters	50.31
Mutual Funds	6.71
FII	5.6
Retail and Others	37.37

Relative Price Performance



Key Data	
NSE Symbol	SHAKTIPUMP
Bloomberg Code	SPIL
Shares Outstanding (In Cr)	12.3
Face Value	10
Mcap (In cr)	9,119
52 week H/L	1,398 / 710

Particulars (INR Crs)	FY24	FY25	FY26E	FY27E
Net Revenue	1,370.7	2,516.2	3,079.9	3,775.8
Growth (%)	41.6%	83.6%	22.4%	22.6%
EBITDA	224.8	602.9	734.1	874.5
EBITDA Margin (%)	16.4%	24.0%	23.8%	23.2%
PAT	141.7	408.4	487.8	575.0
PAT Margin (%)	10.3%	16.2%	15.8%	15.2%
P/E (x)	45.3	22.3	18.7	15.9

Capital Goods

Quarterly Financials

Particulars (INR Crs)	Sep-25	Sep-24	Q0Q	Jun-25	YOY
Revenue from operations	666.35	634.59	5.0%	622.50	7.0%
Cost of materials consumed	486.60	438.65	10.9%	438.25	11.0%
Changes in WC	-53.04	-33.48	58.4%	-42.08	26.0%
Expenses	433.56	405.17	7.0%	396.17	9.4%
GP	232.79	229.42	1.5%	226.33	2.9%
GPM	34.94%	36.15%	(120) bps	36.36%	(140) bps
Employee benefits expenses	34.29	24.95	37.4%	29.73	15.3%
Other expenses	62.55	55.75	12.2%	53.03	18.0%
EBITDA	135.95	148.72	-8.6%	143.57	-5.3%
ETM	20.40%	23.44%	(300) bps	23.06%	(270) bps
Depreciation	6.67	4.92	35.6%	6.05	10.2%
EBIT	129.28	143.80	-10.1%	137.52	-6.0%
Interest	13.30	11.09	19.9%	9.76	36.3%
Other income	5.54	5.73	-3.3%	1.90	191.6%
Profit Before Tax	121.52	138.44	-12.2%	129.66	-6.3%
Tax expense	30.81	37.03	-16.8%	32.83	-6.2%
Profit After Tax	90.71	101.41	-10.6%	96.83	-6.3%
PATM	13.61%	15.98%	(240) bps	15.56%	(190) bps
EPS	7.34	8.44	-13.0%	8.05	-8.8%

Capital Goods

Financials

Income Statement

Particulars (INR Crs)	FY24	FY25	FY26E	FY27E
Revenue from operations	1,370.7	2,516.2	3,079.9	3,775.8
Cost of materials consumed	984.5	1,563.7	1,971.1	2,454.2
Expenses	919.7	1,566.9	1,971.1	2,454.2
GP	451.1	949.3	1,108.8	1,321.5
GPM	32.9%	37.7%	36.0%	35.0%
Employee Expense	66.1	88.62	97.5	107.2
Other expenses	160.1	261.0	277.2	339.8
EBITDA	224.8	602.9	734.1	874.5
EBITDAM	16.4%	24.0%	23.8%	23.2%
Depreciation	19.0	20.0	30.8	41.6
EBIT	205.8	583.0	703.3	832.9
Interest	19.5	44.2	61.6	75.5
Other income	3.6	17.1	22.0	25.0
Profit Before Tax	189.9	555.8	663.7	782.4
Tax expense	48.2	147.5	175.9	207.3
Profit After Tax	141.7	408.4	487.8	575.0
PATM	10.3%	16.2%	15.8%	15.2%

Balance Sheet

Particulars (INR Crs)	FY24	FY25	FY26E	FY27E
Property, Plant, and Equipment	144.5	221.5	254.2	484.2
Inventories	297.6	342.0	540.0	672.4
Trade Receivables	666.8	1,048.7	1,037.9	1,272.4
Cash and Cash Equivalents	201.3	169.4	989.3	727.5
Capital Work-in-Progress	37.8	32.7	230.0	1,000.0
Intangible Assets	5.4	5.3	5.5	5.7
Other Assets	96.8	154.9	104.4	108.2
Total Assets	1,450.3	1,974.4	3,161.3	4,270.4
Equity Share Capital	20.0	120.2	120.2	120.2
Reserves and Surplus	735.7	1,041.0	1,449.3	1,937.1
Borrowings	0.0	35.3	234.8	634.3
Provisions	8.3	51.4	54.4	57.4
Short Term Borrowings	82.9	132.5	122.5	112.5
Trade Payables	488.9	464.0	1,012.6	1,241.3
Other Financial Liabilities	42.5	56.7	90.3	90.3
Other Current Liabilities	72.1	73.4	77.2	77.2
Total Equity And Liabilities	1,450.3	1,974.4	3,161.3	4,270.4

Key Ratios

Particulars (INR Crs)	FY24	FY25	FY26E	FY27E
Return Ratios				
ROE	18.8%	35.2%	31.1%	28.0%
ROCE	13.1%	28.1%	21.0%	18.3%
Margins				
GPM	32.9%	37.7%	36.0%	35.0%
EBITDAM	16.4%	24.0%	23.8%	23.2%
PATM	10.3%	16.2%	15.8%	15.2%
Efficiency Ratios				
Asset Turnover Ratio	1.26	1.47	1.20	1.02
Inventory (in days)	118	80	100	100
Debtors (in days)	178	152	123	123
Creditors (in days)	172	108	120	120
Valuation Ratios				
P/E(x)	45.3	22.3	18.7	15.9
P/BV(x)	5.8	7.6	5.7	4.3
P/S(x)	2.6	3.6	3.0	2.4

Cash Flow Statement

Particulars (INR Crs)	FY24	FY25	FY26E	FY27E
Profit Before Tax	189.9	555.8	663.7	782.4
Depreciation Expense	19.0	20.0	30.8	41.6
Interest Paid	13.89	30.5	61.6	75.5
Changes in WC	(138.2)	(463.2)	361.3	(138.1)
Taxes	(36.0)	(135.5)	(175.9)	(207.3)
Cash flow from Operations	49.6	20.5	941.5	554.1
Property, Plant, and Equipment	(58.8)	(107.8)	(32.7)	(230.0)
Cash Flow from Investing	(61.5)	(198.0)	(480.2)	(800.2)
Repayment of Loans	(2.4)	-	(10.0)	(10.0)
Proceeds from Short Term Loans	11.3	41.8	62.7	(315.0)
Proceeds from QIP	200.0	-	292.6	-
Interest Paid	(13.8)	(30.5)	(61.6)	(75.5)
Cash Flow from Financing	187.4	43.9	471.0	(15.7)

Capital Goods

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