



Oswal Pumps Limited

Oswal Pumps Ltd.

| | | | | | |
|-----------------------------------|---|--|--|---|---|
| Rating SUBSCRIBE | Issue Opens On June 13, 2025 | Issue Closes On June 17, 2025 | Listing Date Jun 20, 2025 | Price Band (INR) 584 - 614 | Issue Size (INR Mn.) 13,630 - 13,873 |
|-----------------------------------|---|--|--|---|---|

Company Overview:

- Oswal Pumps Limited is primarily engaged in the business of manufacturing and installation of solar and grid, submersible pumping systems, solar and grid monoblock pumps, electric motors, and solar modules, marketed under the 'Oswal' brand, which are catered to the diverse requirements of end-users in the agricultural, residential, and industrial sectors.
- The Company operates through its two manufacturing facilities located at Karnal, Haryana; one for pumps and motors, and the other for solar modules.
- The company is highlighted as one of the few fully integrated Turnkey Solar Pumping Systems providers in India with capabilities to manufacture solar powered agricultural pumps, solar modules, and pump controllers, and provide installation services. Oswal Pumps is also described as one of the largest suppliers of solar powered agricultural pumps under the PM-Kusum Scheme.

Valuation:

The company has achieved impressive growth, scaling its revenue and net profit at 58.0% and 157.0% CAGR, respectively, from FY22 to FY25 (based on annualized figures from 9MFY25), majorly driven by robust demand for its diverse range of pumping products, as well as its expansion into solar module manufacturing and EPC solutions, all while maintaining industry-leading profit margins. Notably, within just four years, Oswal Pumps achieved approximately 39.0% of the total solar pumps supplied to the agricultural sector as part of the PM-KUSUM government initiative.

The Company plans to utilize the proceeds from its IPO to support several key initiatives. The company intends to expand its pump manufacturing capacity from 200,000 units to 500,000 units by FY28. Additionally, it aims to increase its solar module manufacturing capacity from 570 MW to 2,070 MW. The funds will also be directed toward debt repayment and general corporate purposes. This expansion is designed to facilitate the introduction of new products while enhancing the existing product portfolio.

Oswal Pumps' integrated manufacturing and EPC solution capabilities will support in sustaining industry-leading margins and provide a competitive edge. The initial public offering is attractively priced at 17.1x FY25 EV/EBITDA (based on 9MFY25 annualized figures) reflecting strong financial performance compared to peers. We expect the Company to excel due to renewable sector demand, strong execution capabilities, and rapid capacity expansions. We recommend a **"SUBSCRIBE"** rating for the initial issue.

| Particulars (INR Mn.) | FY22 | FY23 | FY24 | 9MFY25 |
|-----------------------|-------|-------|-------|--------|
| Revenue | 3,604 | 3,850 | 7,586 | 10,657 |
| EBITDA | 385 | 578 | 1,501 | 3,210 |
| EBITDA Margin (%) | 11% | 15% | 20% | 30% |
| Profit After Tax | 169 | 342 | 977 | 2,158 |
| PAT Margin (%) | 5% | 9% | 13% | 20% |
| Net Worth | 437 | 791 | 1,793 | 3,979 |
| RONW (%) | 39% | 43% | 54% | 54% |

Source: IPO Prospectus

OFFER STRUCTURE

| Particulars | IPO Details |
|--------------------------------|-----------------|
| No. of shares under IPO (Mn) | 22.6 |
| Fresh issue (# shares) (Mn) | 14.5 |
| Offer for sale (# shares) (Mn) | 8.1 |
| Price band (INR) | 584-614 |
| Post issue MCAP (INR Mn) | 66,998 – 69,982 |

Source: IPO Prospectus

| Issue | # Shares | INR Mn | % |
|-----------|------------|--------|-------------------|
| QIB | 11,297,557 | 6,937 | Not less than 50% |
| NIB | 3,389,267 | 2,081 | Not more than 15% |
| Retail | 7,908,290 | 4,856 | Not more than 35% |
| Net Offer | 22,595,114 | 13,873 | 100% |

Source: IPO Prospectus

| Shareholding Pattern | Pre Issue (%) | Post Issue (%) |
|-----------------------------|---------------|----------------|
| Promoters & Promoters Group | 99.88% | 80.07% |
| Others | 0.12% | 19.93% |
| Total | 100.0% | 100.0% |

Source: IPO Prospectus

| Objects of the Offer | INR Mn. |
|--|--------------|
| 1. Funding certain capital expenditure of the Company | 899 |
| 2. Equity investment in wholly-owned subsidiary Oswal Solar to support the establishment of new manufacturing facilities in Karnal, Haryana. | 2,728 |
| 3. Pre-payment/ re-payment, of certain outstanding borrowings availed by the company | 2,800 |
| 4. Equity investment in wholly-owned subsidiary Oswal Solar for partial or full repayment of its outstanding borrowings. | 310 |
| 5. General corporate purposes | 2,163 |

Source: IPO Prospectus

| BRLM |
|-------------------------------------|
| 1. IIFL Capital Services Limited |
| 2. Axis Capital Limited |
| 3. CLSA India Private Limited |
| 4. JM Financial Limited |
| 5. Nuvama Wealth Management Limited |

Source: IPO Prospectus

| Indicative Timetable | |
|---------------------------|-------------------------------------|
| Offer Closing Date | Tuesday, 17 th June'25 |
| Basis of Allotment | Wednesday, 18 th June'25 |
| Initiation of Refunds | Thursday, 19 th June'25 |
| Credit of Shares to Demat | Thursday, 19 th June'25 |
| Listing Date | Friday, 20 th Jun'25 |

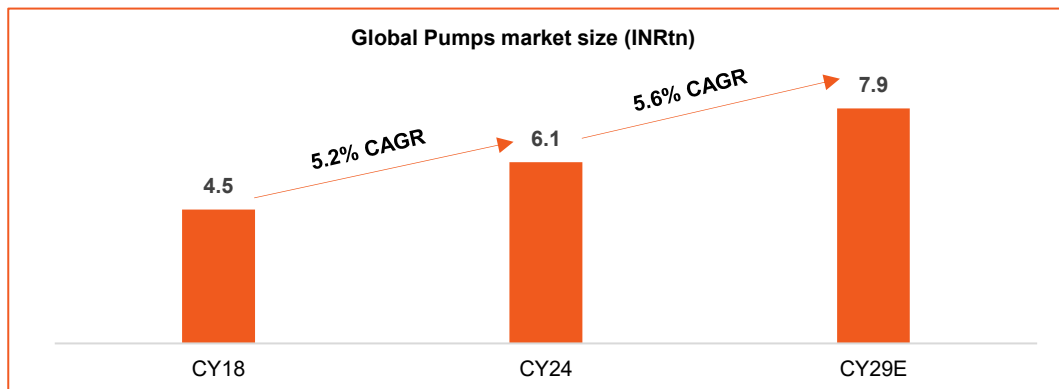
Source: IPO Prospectus

Oswal Pumps Ltd.

Industry Overview:

Global Pumps market scenario

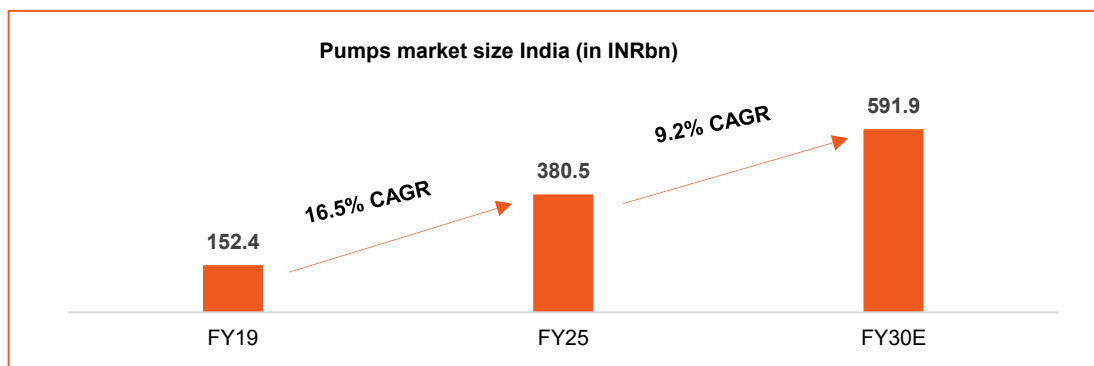
- The pump industry is essential to a variety of sectors, including agriculture, manufacturing, and residential applications. With an uptick in investments in renewable energy sources like solar panels and innovative advancements in pump technology—such as smart pumps and highly specialized models tailored for specific functions—the global pump market is poised for remarkable growth in the coming years. This blend of innovation and sustainability is not just a trend; it's setting the stage for a vibrant future in the industry.
- In CY24, the global pump market stood at INR 6.1tn and, is expected to grow at 5.6% CAGR to INR 7.9tn by CY29E, driven by factors such as rapid urbanization, focus on wastewater treatment and water recycling.



Source: IPO Prospectus, DevenChoksey Research

Indian pumps market scenario

- India holds ~5.0% share of the global pumps market, presenting a significant opportunity for growth. The demand for efficient irrigation solutions in agriculture is a key driver for expansion, which is expected to be aided by government initiatives, rising adoption of solar pumps, and an increasing need for reliable water supply to boost crop yields.
- Government programs like the Jal Jeevan Mission and Swachh Bharat Mission further propel growth in the pump market by enhancing the demand for water supply infrastructure and sanitation solutions. The Indian pump market was valued at INR 380.5bn in FY25 and is projected to grow at 9.2% CAGR to INR 591.9bn by FY30E.



Source: IPO Prospectus, DevenChoksey Research

Industrial pumps sector:

- The Indian pump industry has made remarkable strides and expanded its footprint across various industrial sectors. Industrial pumps have become a vital cornerstone across various sectors such as water treatment, oil and gas, power generation, chemicals and pharmaceuticals, automotive, and food processing. These industries depend on them for their critical operations, driving efficiency and innovation in their essential processes. In FY25, it accounted for ~6.5% of the global industrial pumps market.
- These sectors utilize pumps for processes such as fluid transportation, cooling, lubrication, and water management, underscoring the critical role of the pump industry in supporting industrial activities and overall economic growth. Indian industrial pump segment is expected to grow at 10.5% CAGR by FY30E. In FY25, the industrial pumps accounted for ~27.0% of the total Indian pump industry and is expected to increase to 30.0% by FY30E.

Oswal Pumps Ltd.

Industry Overview:

Agricultural pumps sector

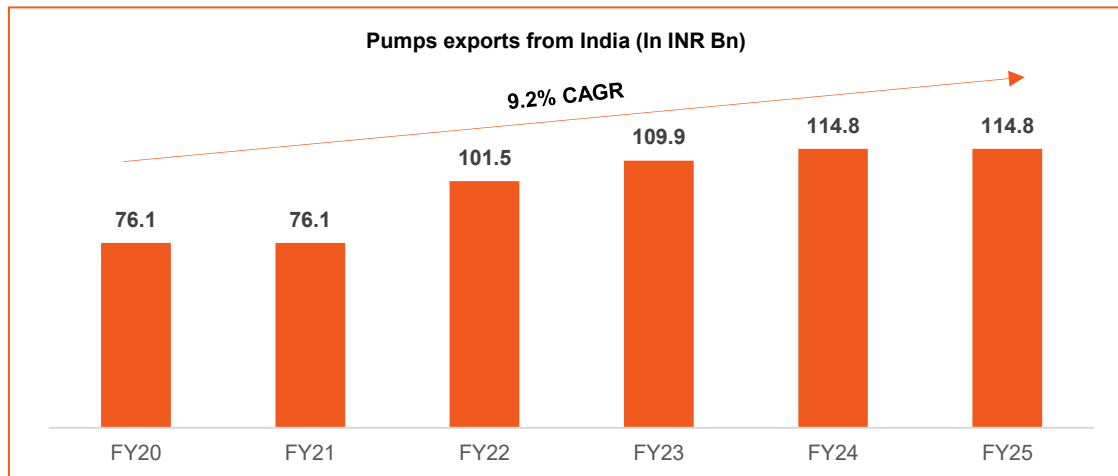
- Pumps play a pivotal role in irrigation and water management, facilitating efficient water distribution across farmlands. In FY25, India accounted for ~18.0% of the global agricultural pumps market.
- KL, Oswal pumps and Shakti pumps are the major players in the agriculture pumps market. As per statistics, the agricultural pumps sector accounted for ~67.0% of the Indian pump industry in FY25 and is expected to grow at 8.4% CAGR until FY30E.
- Penetration of solar pumps for irrigation has witnessed a significant increase among the farmers, majorly led by savings on procuring electricity either from the grid or through diesel generators. Moreover, solar pumps reduces the overall environmental impact, leading to a sustainable solution for irrigation needs.

Residential pumps sector

- In FY25, the residential pumps segment formed ~4.0% of the global residential pumps market. The increase in urbanization, expansion of cities, redevelopment activities and water deficiency across regions is pivotal for the major increase in demand for residential pumps and motors. Increase in residential construction projects underscores the essential role of pumps in supporting household water supply, heating, and ventilation systems, highlighting the significance of this sector for the pumps industry.
- KBL and CRI are among the largest pump players in the residential pumps segment; it is largely dominated by small local players. As per statistics, in FY25 the residential pumps segment accounted for ~5.0% of Indian pump industry and is expected to grow at 13.6% CAGR until FY30E.

Export scenarios of pumps

- Indian pumps are recognized for its cost-effectiveness and efficacy in addressing the rising demand for clean water and wastewater solutions across 190 countries.
- Indian-made submersible pumps are carving a niche expertise in the oil and gas sector, offering corrosion-resistant solutions suitable for offshore applications. Exports accounts for ~16.0% of the total pump manufacturing capacity.
- Indian pump exports has grown at 9.2% CAGR growth from INR 76.1 Bn in FY20 to INR 114.8 Bn in FY25. The US is the largest importer of Indian pumps, which accounts for ~26.0% of the total pump exports, followed by Germany at ~6.0% and UAE at ~6.0%.



Source: IPO Prospectus, Deven Choksey Research

Export and import analysis by type of pump:

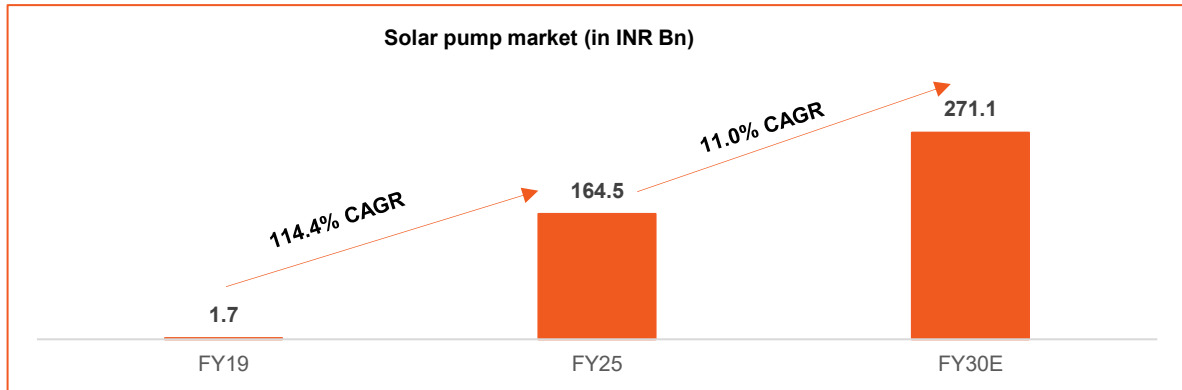
- Centrifugal pumps play a key role in India's pump exports, owing to its versatile usage in diverse industries. As global demand rises for water treatment and irrigation solutions, India's expertise in corrosion-resistant submersible pumps presents a promising export avenue.
- India predominantly imports air and vacuum pumps, with China emerging as the primary exporter of these products. Additionally, India imports pump spare parts to support its pump manufacturing and maintenance industries. These imports play a crucial role in ensuring the availability of essential components for the operation and upkeep of pumps across various sectors including manufacturing, agriculture, and infrastructure development.

Oswal Pumps Ltd.

Industry Overview:

Solar pump market overview

- In FY25, the Indian solar pump market was valued at INR 164.5 and is expected to grow at 11.0% CAGR to INR 271.1 Bn by FY30E, largely driven by government initiatives including incentives like PM-KUSUM, enabling farmers to get subsidized solar pumps, higher focus on reducing carbon emissions by replacing diesel operated pumps, and emphasis on energy-efficient resources for self-sufficiency.
- Further, penetration of solar market in India will increase as it reduces dependency on unstable electricity supply and provides protection from motor damage due to voltage fluctuations.



Source: IPO Prospectus, Deven Choksey Research

Solar pumps offer more longevity and have lower maintenance costs compared to grid-connected / diesel pumps

- **Diesel Pumps:** These pumps have the highest total cost of operation and need to be replaced after being used for ~10 years, making them less economical and sustainable.
- **Grid-connected pumps:** These pumps are expensive for farmers. The total cost to farmers can be low with electricity subsidies, but the burden on the government is high. Additionally, for a 5HP pump, the residual life after 10 years of usage is only 3-5 years.
- **Solar pumps:** These pumps have higher initial costs, but the operational cost is much lower compared to grid-connected or diesel pumps.
- The price of solar pumps under the non-PM KUSUM scheme is more affordable because they use non-DCR panels, which are not subject to domestic manufacturing requirements and are thus 10-15% cheaper. Additionally, the PM KUSUM scheme employs a 360-degree dual-axis rotating structure, which increases installation and commissioning costs by 10%.
- At an overall level, solar pumps are more beneficial than grid-connected or diesel pumps in terms of long-term costs and sustainability.
- For grid-connected pumps, even though there is a 100.0% electricity subsidy, the option is not lucrative enough due to high operational costs and limited electricity availability. Solar pumps, with or without the PM KUSUM scheme present a cost-effective and sustainable solution with a substantial residual life, making them advantageous for both farmers and the government.

Oswal Pumps specializes in the comprehensive manufacturing process of solar pumps and solar panels, providing end-to-end services

- Oswal Pumps is one of the leading players in solar pump manufacturing. The company has complete control over the entire value chain, from design and manufacturing to installation and commissioning.
- From the initial stages of sourcing and refining raw materials to the final assembly, quality testing and packaging, Oswal Pumps maintains complete control over each step of the production chain.
- The company has in-house plants for manufacturing various components such as winding wires, cables, casting, solar cell cutting and solar structure etc. This allows for precise control over the manufacturing process of solar pumps, solar panels & controllers and ensures that all components meet the highest standards.
- The company's manufacturing facility includes modern machinery for assembly and quality testing. This ensures that each product meets the highest standards before being packaged and shipped. Furthermore, customers benefit through comprehensive support from initial installation to the final commissioning of the system.
- Additionally, the company has a dedicated customer service team that provides support and maintenance services to ensure that customers receive the best possible experience with its solar pumps.

Oswal Pumps Ltd.

Company Overview

Oswal Pumps Limited was incorporated on July 15, 2003, in New Delhi, India. The company commenced operations in 2003, initially focusing on manufacturing low-speed monoblock pumps. Further expanding its solar focus, Oswal Pumps Limited commenced offering EPC services in 2020, initiated end-to-end EPC services in 2021, and began participating directly in government tenders for solar EPC operations, winning contracts in 2023.

Oswal Solar Structure Private Limited (a wholly-owned subsidiary) and Walso Solar Solution Private Limited (an associate) was incorporated to enhance its backward integration for manufacturing of solar PV modules and, solar structures and balance of system kits, respectively.

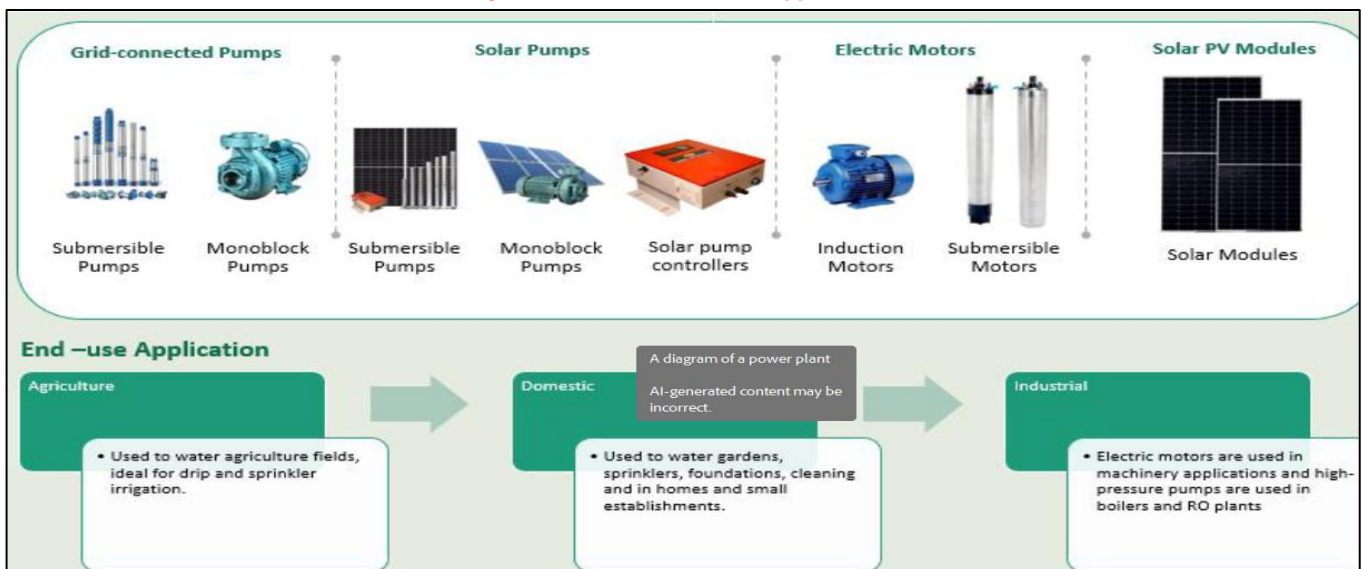
Progression of manufacturing capabilities over the years:



Source: IPO Prospectus, Deven Choksey Research

Oswal Pumps is one of the few fully integrated Turnkey Solar Pumping Systems providers in India, with capabilities to manufacture the solar powered agricultural pumps, solar modules and pump controllers, and provide installation services for the complete system. This vertical integration extends to manufacturing various components like winding wires, cables, and castings in-house.

Key Products and It's end use applications:



Source: IPO Prospectus, Deven Choksey Research

Oswal Pumps Ltd.

Company Overview

Oswal Pumps Limited operates two manufacturing facilities, both situated at Karnal, Haryana:

- One facility, operated directly by Oswal Pumps Limited, is dedicated to the production of pumps and electric motors. As of December 31, 2024, this facility covers a total land area of 41,076 square meters and is noted as one of India's largest single-site facilities for manufacturing pumps. It is strategically located near major agricultural states such as Haryana, Punjab, and Uttar Pradesh. As of December 31, 2024, its annual installed capacity consisted of 1,160.1 MT facility for manufacturing of stainless-steel pumps, 2,366.0 MT for cast iron pumps, 1,314.7 MT for stainless steel motors, and 561.6 MT for cast iron motors. These facilities are equipped with advanced machinery such as pneumatic and mechanical presses, Computer Numerical Control (CNC) and automatic winding machines, induction furnace, pressure die casting, high-precision grinding, lapping and polishing machines, and hydraulic injection molding machines.
- The second manufacturing facility is operated through the Company's wholly-owned subsidiary, Oswal Solar Structure Private Limited (Oswal Solar). This facility is focused on manufacturing solar modules for Oswal Pumps' Turnkey Solar Pumping Systems. Manufacturing of solar modules at this facility commenced on January 8, 2024. As of December 31, 2024, its annual installed capacity for solar modules was 570 megawatts (MW).

Installed capacity and capacity utilization as on 9MFY25

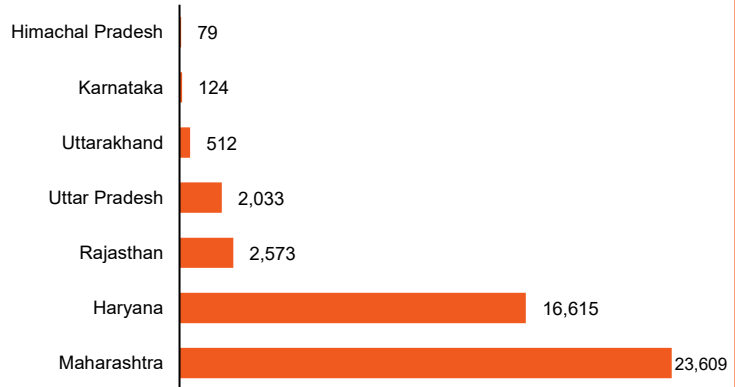
| Particulars (in MT) | Installed Capacity | Capacity Utilisation |
|------------------------|--------------------|----------------------|
| Stainless Steel Pumps | 1,160 | 75% |
| Cast Iron Pumps | 2,366 | 47% |
| Stainless Steel Motors | 1,315 | 78% |
| Cast Iron Motors | 562 | 41% |

Source: IPO Prospectus, Deven Choksey Research

Significant Position in the PM Kusun Scheme:

- Oswal Pumps Limited has emerged as a prominent player in the PM Kusun Scheme, a major government initiative aimed at promoting solar energy in agriculture.
- Within four years, Oswal Pumps became one of the largest suppliers of solar powered agricultural pumps under the PM-Kusun scheme (For FY23 and FY24).
- As of December 31, 2024, Oswal Pumps had directly and indirectly supplied ~2.3 lakh solar powered agricultural pumps out of the total 6.1 million solar pumps installed under the PM-Kusun Scheme.
- The company has secured contracts and executed orders directly under the scheme in multiple states, including Haryana, Rajasthan, Uttar Pradesh, Maharashtra, Uttarakhand, and Himachal Pradesh.

Orders received and executed directly under the PM Kusun Scheme to State Governments as on April 30, 2025



Source: IPO Prospectus, Deven Choksey Research

Product Revenue Summary

- Oswal Pumps Limited has seen a significant increase in overall revenue from operations across the reported periods, growing from INR 3,406.1 Mn in FY 22 to INR 9,849.9 Mn in 9MFY25.
- Revenue contribution has dramatically shifted towards Turnkey Solar Pumping Systems, which accounted for 79% of revenue from operations in 9MFY25, up from just 4% in FY 22, largely driven by the PM Kusun Scheme.

| Particulars | FY22 | FY23 | FY24 | 9MFY25 |
|---|------|------|------|--------|
| Turnkey Solar Pumping Systems (Submersible Pumps) | 4% | 18% | 49% | 67% |
| Turnkey Solar Pumping Systems (Monoblock Pumps) | 0% | 9% | 12% | 12% |
| Solar Submersible Pumps | 50% | 32% | 11% | 4% |
| Solar Monoblock Pumps | 5% | 8% | 3% | 1% |
| Non-Solar Submersible Pumps | 24% | 12% | 5% | 4% |
| Non-Solar Monoblock Pumps | 2% | 1% | 1% | 0% |
| Electric Motors | 10% | 9% | 5% | 4% |
| Others | 6% | 10% | 14% | 7% |

Source: IPO Prospectus, Deven Choksey Research

RESEARCH ANALYST

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Oswal Pumps Ltd.

Company Overview

Revenue by End-Use Summary

- The agricultural sector is the primary driver of Oswal Pumps Limited's revenue from operations, consistently accounting for over 87% and reaching 97% in 9MFY25.

| Particulars | FY22 | FY23 | FY24 | 9MFY25 |
|-------------|------|------|------|--------|
| Agriculture | 87% | 91% | 96% | 97% |
| Residential | 7% | 5% | 2% | 2% |
| Industrial | 6% | 4% | 2% | 1% |

Source: IPO Prospectus, Deven Choksey Research

Revenue by geography Summary

- Revenue contribution from Haryana significantly decreased from 72% in FY24 to 35% 9MFY25, while Maharashtra's contribution surged from 8% to 44% in the same period, indicating a major shift in the company's geographic revenue base.
- Export revenue remained relatively stable, hovering around 4%–11% over the years, with a slight dip in the most recent period (4% in 9MFY25).

| Region | FY 22 | FY 23 | FY 24 | 9MFY25 |
|---------------|-------|-------|-------|--------|
| Haryana | 50% | 44% | 72% | 35% |
| Maharashtra | 10% | 19% | 8% | 44% |
| Uttar Pradesh | 3% | 4% | 6% | 6% |
| Rajasthan | 18% | 7% | 5% | 5% |
| Chhattisgarh | 0% | 2% | 2% | 0% |
| Punjab | 2% | 7% | 1% | 2% |
| Uttarakhand | 0% | 0% | 0% | 1% |
| Others | 7% | 5% | 1% | 2% |
| Export | 11% | 12% | 5% | 4% |

Source: IPO Prospectus, Deven Choksey Research

Revenue by customer Summary

- Revenue from government entities surged to 78.5% in 9MFY25, up from 45.6% in FY 24, while institutional customers dropped sharply from 43.37% to 7.15%, indicating a strategic pivot toward government business.
- Revenue from distributors and exports remained relatively stable, contributing around 10–11% and 3–11% respectively across the periods, showing consistency in these channels despite broader customer mix changes.

| Category | FY22 | FY23 | FY24 | 9MFY25 |
|----------------------------|------|------|------|--------|
| Institutional Customers | 59% | 76% | 43% | 7% |
| Government Entities | 0% | 0% | 46% | 79% |
| Sales through Distributors | 24% | 11% | 5% | 11% |
| Exports | 11% | 12% | 5% | 4% |
| Others | 6% | 2% | 1% | 0% |

Source: IPO Prospectus, Deven Choksey Research

Rapid Expansion of Distributor Network Across Regions

- The total number of distributors increased from 473 in FY22 to 925 by 9MFY25, nearly doubling in under three years, reflecting aggressive and consistent network expansion.

| Region | FY 22 | FY 23 | FY 24 | 9MFY25 |
|--------------|------------|------------|------------|------------|
| Central | 118 | 138 | 148 | 223 |
| East | 70 | 81 | 96 | 110 |
| North | 200 | 245 | 271 | 432 |
| South | 19 | 22 | 23 | 26 |
| West | 66 | 88 | 98 | 134 |
| Total | 473 | 574 | 636 | 925 |

Source: IPO Prospectus, Deven Choksey Research

Oswal Pumps Ltd.**Strategies:****Strengthening Value Chain through Backward Integration, Automation, and Strategic Acquisitions:**

- The company is implementing backward integration by introducing no-bake casting and aluminum die casting, along with plans to manufacture VFDs and AC voltage controllers in-house. It is also automating key manufacturing processes such as press, welding, and CNC operations to reduce costs and enhance efficiency.
- To bolster its technological capabilities and product digitization, the company is evaluating inorganic growth opportunities, with a focus on tech-driven and synergistic acquisitions.

Continue to focus on government schemes and maintain leadership position:

- With only 63% of sanctioned solar pumps installed under the PM Kusum Scheme, the company plans to expand into key states like Maharashtra, Karnataka, and Madhya Pradesh to capture unmet demand through active bidding and distributor network expansion.
- The company aims to serve the large base of farmers lacking access to reliable water sources or using diesel pumps by offering solar-powered solutions directly, enabling cost savings and improved irrigation without reliance on subsidies.

Increase manufacturing capacity for solar modules and backward integration in solar module manufacturing:

- The company plans to manufacture key components such as aluminum frames, EVA sheets, on-grid inverters, and junction box back sheets in-house to improve supply chain control, reduce costs, and enhance product quality and customization.
- With INR 1,537 Mn allocated, the company will increase its solar module capacity from 570 MW to 2,070 MW to meet rising demand from domestic and global markets, including direct sales to OEMs, PM Kusum participants, and exports to the US and Europe.

Introduce new products in the industrial pumps and electric motors categories:

- The company plans to introduce a new range of industrial pumps (e.g., helical rotor, centrifugal, chemical pumps) and electric motors tailored for sectors such as construction and manufacturing, aligning with rising demand from industrialization and infrastructure growth.
- With India's industrial pump market projected to grow at an 11.8% CAGR and the electric motor market at 14.3% CAGR through FY2030, the company aims to capture a larger share of these expanding segments, building on its rising revenue contribution from both categories.

Increase the presence in select geographies in India and grow the exports:

- The company aims to scale its distributor network across key Indian states and expand its 'Oswal Shoppe' retail presence to boost brand penetration and sales.
- It plans to strengthen exports by targeting high-potential regions like the U.S., South Africa, and Spain, leveraging certifications and a proven export track record across 22 countries.

Risks:

- The company's revenue is significantly dependent on PM Kusum Scheme tenders, and any discontinuation or reduced allocation under the scheme may materially impact its business and financial performance.
- The company derives over 90% of its revenue from the agricultural sector, making it highly vulnerable to adverse conditions affecting agriculture, which could materially impact its business and financial performance.
- A substantial portion of the company's revenue is concentrated in Haryana, Maharashtra, Uttar Pradesh, and Rajasthan; any adverse regional developments in these states may materially affect its business and financial performance.
- The company's business is heavily dependent on its top 10 customers, contributing over 70% of revenue in recent periods; loss of any key customer could significantly impact its financial and operational performance.

Oswal Pumps Ltd.

SWOT Analysis



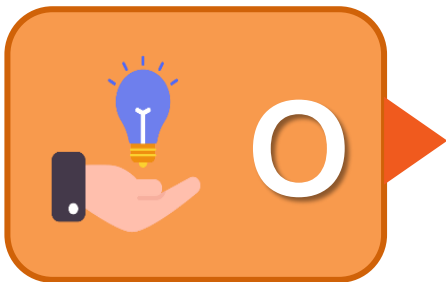
Strengths:

- **Diversified Product Portfolio:** Oswal manufactures over 980 types of pumps, motors, and various pipes, catering to agricultural, domestic, and industrial segments.
- **Established Brand and Network:** Strong presence across 17 states with 3,000+ distributors and dealers; recognized brand in the pump segment.
- **Backward Integration:** In-house manufacturing of components, including motor winding wires and stamping, supports quality control and cost efficiencies.
- **Manufacturing Scale:** One of the largest vertically integrated pump manufacturers in India, with a substantial installed capacity for motors and pumps.



Weaknesses:

- **Revenue Concentration:** Significant revenue comes from a limited number of product segments and key geographies, increasing dependency risk.
- **Working Capital Intensive Business:** Requires high inventory and receivables due to dealer-based model and wide product range.
- **Limited Export Base:** Despite capabilities, export revenues remain low compared to domestic sales, which limits global footprint.
- **Moderate R&D Spend:** While some in-house innovation exists, R&D investment remains modest, potentially impacting product innovation pace.



Opportunities:

- **Rural Electrification and Irrigation Push:** Government focus on rural infrastructure, electrification, and agriculture provides demand boost for pumps.
- **Urbanization and Housing Growth:** Rising need for water supply systems in residential and commercial real estate supports demand for domestic pumps.
- **Export Market Expansion:** Scope to tap international markets by leveraging existing capacity and quality standards.
- **Product Diversification:** Opportunity to scale up pipe and electric panel segment and introduce smart/energy-efficient solutions.



Threats:

- **Raw Material Price Volatility:** Prices of copper, stainless steel, and other key materials impact margins if not managed effectively.
- **Competitive Pressure:** Highly fragmented market with numerous unorganized and organized players, leading to pricing competition.
- **Regulatory Risks:** Any adverse changes in electrical equipment standards, quality certifications, or import/export policies may impact operations.
- **Technological Disruption:** Emergence of smart water management solutions or energy-efficient products by global players could erode market share.

Oswal Pumps Ltd.

Peer Comparison

| Particulars (FY25) | Oswal Pumps* | Kirloskar Brothers | Shakti Pumps | WPIL Limited | KSB Limited** | Roto Pumps Limited |
|------------------------------|--------------|--------------------|--------------|--------------|---------------|--------------------|
| Market cap (INR Mn.) | 69,982 | 1,49,234 | 1,20,343 | 40,958 | 1,45,375 | 18,446 |
| EV (INR Mn.) | 73,372 | 1,47,562 | 1,20,329 | 41,160 | 1,42,175 | 18,599 |
| Revenue from operations(Mn.) | 14,209 | 44,922 | 25,162 | 18,069 | 25,843 | 2,979 |
| FY25 YoY revenue growth | 87% | 12% | 84% | 9% | 13% | 9% |
| EBITDA (INR Mn.) | 4,280 | 6,092 | 6,030 | 2,926 | 3,443 | 634 |
| EBITDA Margin (%) | 30.0% | 13.6% | 24.0% | 16.2% | 13.3% | 21.3% |
| PAT(INR Mn) | 2,877 | 4,152 | 4,084 | 1,320 | 2,545 | 334 |
| PAT Margin (%) | 20.0% | 9.2% | 16.2% | 7.3% | 9.8% | 11.2% |
| Net Worth (INR Mn.) | 3,979 | 20,929 | 11,612 | 13,719 | 14,854 | 2,208 |
| ROE (%) | 54.2% | 21.8% | 42.6% | 10.1% | 17.8% | 16.0% |
| ROCE (%) | 75.8% | 27.9% | 55.3% | 18.5% | 23.9% | 18.9% |
| EV/Sales | 5.2x | 3.3x | 4.8x | 2.3x | 41.3x | 6.2x |
| EV/EBITDA | 17.1x | 24.2x | 20.0x | 14.1x | 5.5x | 29.3x |
| P/E | 24.3x | 35.9x | 29.5x | 31.0x | 57.1x | 55.3x |
| P/S | 4.9x | 3.3x | 4.8x | 2.3x | 5.6x | 6.2x |

*Note: Oswal Pumps Ltd's 9M FY25 Income statement figures are annualized.

**Note: KSB Ltd's figures correspond to CY23, CY24, and TTM, aligned with FY24, FY25 and TTM respectively.

Source: IPO Prospectus, Deven Choksey Research

Oswal Pumps Ltd.

Valuation:

Oswal Pumps is a distinguished pump manufacturer with over 22 years of experience in providing products to agricultural, residential, industrial, and institutional sectors. The company boasts a prestigious client base and has expanded its exports to various countries across the Asia-Pacific, Middle East, and North Africa regions. Notably, within just four years, Oswal Pumps achieved approximately 39.0% of the total solar pumps supplied to the agricultural sector as part of the PM-KUSUM government initiative.

The company has achieved impressive growth, scaling its revenue and net profit at 58.0% and 157.0% CAGR, respectively, from FY22 to FY25 (based on annualized figures from 9MFY25), majorly driven by robust demand for its diverse range of pumping products, as well as its expansion into solar module manufacturing and EPC solutions, all while maintaining industry-leading profit margins.

The Company plans to utilize the proceeds from its IPO to support several key initiatives. The company intends to expand its pump manufacturing capacity from 200,000 units to 500,000 units by FY28. Additionally, it aims to increase its solar module manufacturing capacity from 570 MW to 2,070 MW. The funds will also be directed toward debt repayment and general corporate purposes. This expansion is designed to facilitate the introduction of new products while enhancing the existing product portfolio.

Oswal Pumps' integrated manufacturing and EPC solution capabilities will support in sustaining industry-leading margins and provide a competitive edge. The initial public offering is attractively priced at 17.1x FY25 EV/EBITDA (based on 9MFY25 annualized figures) reflecting strong financial performance compared to peers. We expect the Company to excel due to renewable sector demand, strong execution capabilities, and rapid capacity expansions. We recommend a **"SUBSCRIBE"** rating for the initial issue.

Valuation Table

| Company Name | CMP | Market Cap (INR Mn.) | Revenue CAGR | EBITDA CAGR | PAT CAGR | EBITDA Margin (%) | EV/EBITDA | | P/E | | ROE | ROCE |
|---------------------------|-------|----------------------|--------------|-------------|----------|-------------------|-----------|-------|-------|-------|------|------|
| | | | FY23-25 | FY23-25 | FY23-25 | FY25 | FY25 | TTM | FY25 | TTM | FY25 | FY25 |
| Oswal Pumps* | 614 | 69,982 | 92% | 172% | 190% | 30% | 17.1x | 17.1x | 24.3x | 24.3x | 54% | 76% |
| Peers | | | | | | | | | | | | |
| KIRLOSKAR BROTHERS | 1,843 | 1,46,367 | 9.7% | 23.4% | 32.9% | 13.6% | 22.0x | 23.8x | 25.0x | 32.8x | 22% | 28% |
| SHAKTI PUMPS | 992 | 1,19,261 | 61.3% | 201.0% | 311.4% | 24.0% | 19.5x | 19.8x | 18.9x | 28.9x | 43% | 55% |
| WPIL | 417 | 40,748 | 6.1% | 4.5% | -16.5% | 16.2% | 14.4x | 14.0x | 7.0x | 31.8x | 10% | 19% |
| KSB** | 838 | 1,45,801 | 17.9% | 17.0% | 16.4% | 13.3% | 38.7x | 41.4x | 57.8x | 54.0x | 18% | 24% |
| ROTO PUMPS | 292 | 18,330 | 14.9% | 8.0% | 0.5% | 21.3% | 20.5x | 29.1x | 28.3x | 38.6x | 16% | 19% |

*Note: Oswal Pumps Ltd's 9M FY25 Income statement figures are annualized.

**Note: KSB Ltd's figures correspond to CY23, CY24, and TTM, aligned with FY24, FY25 and TTM respectively.

Source: IPO Prospectus, DevenChoksey Research

Oswal Pumps Ltd.

Financials:

| Income Statement (INR Mn) | FY22 | FY23 | FY24 | 9MFY25 | Cash Flow (INR Mn) | FY22 | FY23 | FY24 | 9MFY25 |
|---------------------------|--------------|--------------|--------------|---------------|---|-----------|-----------|-----------|-----------|
| Revenue | 3,604 | 3,850 | 7,586 | 10,657 | Net Cash Flow from Operating Activities | 649 | 499 | 169 | -1,974 |
| Operating Expenditure | 3,219 | 3,272 | 6,084 | 7,447 | Net Cash Flow from Investing Activities | -460 | -205 | -235 | -439 |
| EBITDA | 385 | 578 | 1,501 | 3,210 | Net Cash Flow from Financing Activities | -135 | -333 | 34 | 2,420 |
| EBITDA Margin % | 11% | 15% | 20% | 30% | Net Increase/(Decrease) in Cash | 54 | -39 | -32 | 6 |
| Other Income | 7 | 24 | 27 | 17 | Cash & Cash Equivalents at the Beginning | 21 | 75 | 36 | 4 |
| Depreciation | 69 | 78 | 86 | 84 | Cash & Cash Equivalents at the End | 75 | 36 | 4 | 10 |
| Interest | 84 | 59 | 143 | 288 | | | | | |
| PBT | 239 | 466 | 1,299 | 2,855 | | | | | |
| Tax | 70 | 124 | 322 | 697 | | | | | |
| PAT | 169 | 342 | 977 | 2,158 | | | | | |
| PAT Margin (%) | 5% | 9% | 13% | 20% | | | | | |

| Balance sheet (INR Mn) | FY22 | FY23 | FY24 | 9MFY25 |
|-------------------------------------|--------------|--------------|--------------|---------------|
| ASSETS | | | | |
| Non-Current Assets | | | | |
| Property, plant and equipment | 676 | 777 | 940 | 1,172 |
| Capital WIP | 0 | 32 | 6 | 65 |
| Right of use assets | 35 | 33 | 34 | 55 |
| Intangible assets | 0 | 0 | 1 | 4 |
| Investments | 35 | 0 | 0 | 40 |
| Other financial assets | 23 | 49 | 56 | 89 |
| Other non-current assets | 28 | 75 | 98 | 118 |
| Current Assets | | | | |
| Inventories | 755 | 679 | 1,222 | 1,671 |
| Trade receivables | 375 | 729 | 2,399 | 7,111 |
| Cash and cash equivalents | 75 | 36 | 4 | 10 |
| Bank balance | 69 | 42 | 32 | 63 |
| Other financial assets | 13 | 5 | 7 | 6 |
| Other current assets | 134 | 67 | 314 | 556 |
| Total Assets | 2,218 | 2,523 | 5,113 | 10,960 |
| EQUITY AND LIABILITIES | | | | |
| Equity share capital | 59 | 59 | 59 | 99 |
| Other equity | 378 | 732 | 1,734 | 3,880 |
| Total Equity | 437 | 791 | 1,793 | 3,979 |
| Non-Current Liabilities | | | | |
| Borrowings | 148 | 58 | 72 | 119 |
| Lease Liabilities | 26 | 25 | 27 | 49 |
| Provisions | 98 | 128 | 142 | 164 |
| Other financial liabilities | 4 | 4 | 5 | 4 |
| Other non current liabilities | 0 | 0 | 8 | 23 |
| Current Liabilities | | | | |
| Borrowings | 727 | 535 | 682 | 3,344 |
| Lease Liabilities | 3 | 3 | 3 | 5 |
| Trade Payables | 541 | 597 | 644 | 786 |
| Other Financial liabilities | 35 | 103 | 1,488 | 1,902 |
| Other current liabilities | 199 | 279 | 248 | 585 |
| Total Equity and Liabilities | 2,218 | 2,523 | 5,113 | 10,960 |

Source: IPO Prospectus, Deven Choksey Research

Oswal Pumps Ltd.**ANALYST CERTIFICATION:**

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