

## Company Overview

Oswal Pumps is a well-established manufacturer of solar-powered and grid-connected submersible and monoblock pumps, along with electric motors (including both induction and submersible types) and solar modules. Operating under the "Oswal" brand, the company brings over two decades of experience in engineering, product design, and manufacturing for the pump industry. The company serves a broad customer base across agriculture, residential, commercial, and industrial segments. In agriculture, the company's pumps are used for field irrigation; in residential settings, they support water supply, gardening, and cleaning needs. Commercial clients, such as malls and hotels, use their products for water management, while industrial applications include boilers, water treatment, sewage handling, and machinery operations. As of December 2024, Oswal Pumps has executed more than 38,000 turnkey solar pumping system orders directly under the PM-KUSUM scheme across multiple states, including Haryana, Rajasthan, Uttar Pradesh, and Maharashtra. In FY23 and FY24, it emerged as one of the top suppliers under the scheme. The company stands out as one of the few fully integrated players in the country, with in-house capabilities to manufacture solar pumps, modules, and controllers, as well as providing installation services. In 2024, the company further strengthened its vertical integration by starting solar module production through its wholly owned subsidiary, Oswal Solar Structure Private Limited. Oswal Pumps distribution network in India has expanded significantly, from 473 distributors in FY22 to 636 in FY24, enabling the company to serve a broader retail market. The company also exports products to 17 countries across Asia-Pacific, the Middle East, and North Africa. In 9MFY25, the company derived majority of its revenue from the submersible pumps system, which contributed Rs. 6,562 million or 66.6% of total operational revenue. This was followed by monoblock pumps at Rs. 1,174 million (11.9%) and solar submersible pumps at Rs. 437 million (4.4%). Other contributors included electric motors at Rs. 440 million (4.5%), non-solar submersible pumps at Rs. 358 million (3.6%), solar monoblock pumps at Rs. 122 million (1.2%), non-solar monoblock pumps at Rs. 41 million (0.4%), and others at Rs. 716 million (7.3%).

## Objects of the issue

The company proposes to utilize net proceeds (Rs. 8,900 million) towards funding the following objects:

- ⇒ funding certain capital expenditure of the company;
- ⇒ investment in its wholly-owned subsidiary, Oswal Solar, in the form of equity, for funding the setting up of new manufacturing units at Karnal, Haryana;
- ⇒ pre-payment/ re-payment, in part or full, of certain outstanding borrowings availed by the company;
- ⇒ investment in its wholly-owned subsidiary, Oswal Solar, in the form of equity, for repayment/ prepayment, in part or full, of certain outstanding borrowings availed by Oswal Solar; and
- ⇒ general corporate purposes.

Proceeds from OFS constitute of Rs. 4,973 million which will not be received by the company

## Investment Rationale

### Deepening integration to drive margin expansion and manufacturing efficiency

The company's vertically integrated manufacturing model positions it firmly in the pump and solar solutions space. It manufactures key components for pumps and solar modules in-house, thereby significantly reducing its dependence on external vendors. The company is well-positioned to deliver cost-efficient and high-margin solutions backed by its associate, Walso Solar Solution Private Limited, which specializes in mounting structures and other essential components for turnkey solar systems. This integration enables end-to-end control from component manufacturing to project execution, enhancing product quality, ensuring supply chain efficiency, and supporting margin expansion. Notably, the company recorded one of the highest EBITDA margins among peers in FY24 (30.1% in 9MFY25), up from 10.7% in FY22, showcasing clear operating leverage gains. Building on its already robust vertically integrated operations, the company is now strategically investing to further integrate key processes in the pump manufacturing value chain, such as no-bake casting and aluminium heat

## Issue Details

Offer Period	13th June, 2025 - 17th June, 2025
Price Band	Rs. 584 to Rs. 614
Bid Lot	24
Listing	BSE & NSE
Issue Size (no. of shares in mn)	22.5
Issue Size (Rs. in bn)	13.9
Face Value (Rs.)	1

## Issue Structure

QIB	50%
NIB	15%
Retail	35%

BRLM	MUFG Intime India Pvt. Ltd.
------	-----------------------------

Registrar	IIFL Capital Services Ltd., Axis Capital Ltd., CLSA India Pvt. Ltd., JM Financial Ltd., Nuvama Wealth Management Ltd.
-----------	---

Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	99.9%	80.1%
Public	0.1%	19.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

(Assuming issue subscribed at higher band)

**Research Team - 022-61596138**

# Oswal Pumps Ltd.

sink die casting. These processes not only reduce reliance on external vendors but also bring efficiency, quality improvements, and cost savings. The company is also developing in-house capabilities for high-value components, such as Variable Frequency Drives (VFDs) and single-phase controllers, which are currently sourced externally, to further strengthen margin control.

## Integrated product diversification strategy strengthened by expanding market reach

The company's comprehensive and diversified product portfolio across solar-powered and grid-connected pumps, electric motors, and solar modules under the 'Oswal' brand has enabled it to address a broad spectrum of needs in agricultural, industrial, and residential sectors, reinforcing strong brand recall over its 20+ year presence. To capitalise on this strength, the company is executing a dual strategy of product expansion and market penetration. On the product front, it is introducing new industrial pumps and motors, such as pressure pumps, helical rotor pumps, and vibrant motors, while also expanding solar module production through backward integration of critical components like EVA, aluminium frames, and junction box back sheets. These initiatives are designed to optimise cost, improve quality, and ensure long-term supply reliability. Simultaneously, the company is aggressively strengthening its market presence. It has nearly doubled its domestic distributor base to 925 as of December 2024 from 473 distributors in March 2022, with focused expansion in high-potential states such as Karnataka, Gujarat, and Tamil Nadu. On the export front, the company already supplies to 22 countries and aims to deepen its presence in global markets, including the US, Europe, and Africa, with a strong emphasis on solar modules and electric motors.

## Valuation

Oswal Pumps is the fastest-growing vertically integrated solar pump manufacturer in India, in terms of revenue, reporting a CAGR growth of 45.1% between FY22 and 24. The solar pump market in India was valued at Rs. 164.5 billion in FY25 and is expected to grow at a CAGR of 11.0% between FY25 and FY30, reaching Rs. 271.1 billion by FY30. Given the company's strong brand equity in solar pumps, diversified product offerings, and integrated manufacturing capabilities, it is well-positioned to capitalise on these structural growth drivers. Its robust domestic distribution network and expanding presence in high-growth states further enhance its ability to monetise the sector's rising demand. On the financial front, EBITDA margins expanded from 10.7% to 19.8% between FY22 and FY24, reflecting the company's strong operational control and backward integration efforts. The company also delivered robust returns on profitability, with ROE and ROCE at 54.5% and 54.9%, respectively, for FY24, while ROAE was reported at 75.6% for the same period. The company has significantly reduced its D/E from 2.1x in FY22 to 0.4x in FY24, while the ratio for 9MFY25 stood at 0.9x. A significant uptick in short term financing primarily drove the increase. However, despite the rise in debt, the comfort remains steady, with a healthy increase in its interest coverage ratio, which rose from 4.6x to 11.2x between FY22 and 9MFY25. **The issue is valued at a price-to-earnings (P/E) ratio of 21.2x on the upper price band based on FY25 earnings (annualised), which is relatively cheaper compared to its peers. Considering the above compelling factors, we recommend a "SUBSCRIBE" rating for this issue.**

## Key Risks:

- ⇒ A significant portion of the company's revenues is derived from turnkey solar pumping systems awarded through government tenders under the PM-KUSUM scheme. Any reduction in government funding, policy changes, or failure to secure future tenders could have a material impact on revenue visibility, order inflows, and cash flows.
- ⇒ The company is significantly dependent on its top 10 customers, who accounted for 79.5%, 72.6%, and 66.3% of revenue from operations in FY24, FY23, and FY22, respectively.
- ⇒ All of the company's manufacturing facilities are located in Karnal, Haryana, which exposes operations to risks from local and regional factors.

# Oswal Pumps Ltd.

## Income Statement (Rs. in millions)

Particulars	FY22	FY23	FY24	9MFY25
<b>Revenue</b>				
Revenue from operations	3,604	3,851	7,586	10,657
<b>Total revenue</b>	<b>3,604</b>	<b>3,851</b>	<b>7,586</b>	<b>10,657</b>
<b>Expenses</b>				
i) Cost of materials consumed	2,602	2,478	5,118	5,046
ii) Purchases of stock-in-trade	89	129	138	611
iii) Changes in inventories of finished goods, stock-in-trade and work-in-progress	-149	61	-227	164
iv) Employee benefits expense	295	293	424	487
v) Other Expenses	382	310	631	1,139
<b>Total operating expenses</b>	<b>3,219</b>	<b>3,272</b>	<b>6,084</b>	<b>7,447</b>
<b>EBITDA</b>	<b>385</b>	<b>579</b>	<b>1,501</b>	<b>3,210</b>
Depreciation & amortization	69	78	86	84
<b>EBIT</b>	<b>316</b>	<b>501</b>	<b>1,415</b>	<b>3,126</b>
Finance costs	84	59	143	288
Other Income	7	24	27	17
<b>PBT</b>	<b>239</b>	<b>467</b>	<b>1,299</b>	<b>2,855</b>
Current Tax	110	127	359	717
Deferred tax	-47	-3	-23	-25
Income tax pertaining to earlier years	7	0	-14	5
<b>Total tax</b>	<b>70</b>	<b>124</b>	<b>322</b>	<b>697</b>
<b>Net Profit</b>	<b>169</b>	<b>342</b>	<b>977</b>	<b>2,158</b>
<b>Diluted EPS</b>	<b>1.7</b>	<b>3.4</b>	<b>9.8</b>	<b>21.8</b>

Source: RHP, BP Equities Research

## Cash Flow Statement (Rs. in millions)

Particulars	FY22	FY23	FY24	9MFY25
Cash Flow from operating activities	649	499	169	-1,974
Cash flow from/(used in) investing activities	-460	-205	-235	-439
Net cash flows (used in) / from financing activities	-135	-333	34	2,420
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>54</b>	<b>-39</b>	<b>-32</b>	<b>6</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>21</b>	<b>75</b>	<b>36</b>	<b>4</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>75</b>	<b>36</b>	<b>4</b>	<b>10</b>

Source: RHP, BP Equities Research

# Oswal Pumps Ltd.

## Balance Sheet (Rs. in millions)

Particulars	FY22	FY23	FY24	9MFY25
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	676	777	940	1,172
Capital Work-in-Progress	0	32	6	65
Right-of-use assets	35	33	34	55
Other Intangible assets	0	0	1	2
Intangible assets under development	0	0	0	2
<b>Financial Assets</b>				
(i) Investments	35	0	0	40
(ii) Other financial assets	23	49	56	89
Deferred tax assets (net)	1	2	21	51
Other Non-Current Assets	27	72	76	67
<b>Total Non Current assets</b>	<b>797</b>	<b>965</b>	<b>1,135</b>	<b>1,543</b>
<b>Current Assets</b>				
Inventories	755	679	1,222	1,671
<b>Financial Assets</b>				
(i) Trade Receivables	375	729	2,399	7,111
(ii) Cash and cash equivalents	75	36	4	10
(iii) Bank balances other than (ii) above	69	42	32	63
(iv) Other financial assets	13	5	7	6
Other current assets	134	67	314	556
<b>Total Current Assets</b>	<b>1,422</b>	<b>1,558</b>	<b>3,978</b>	<b>9,417</b>
<b>Total Assets</b>	<b>2,218</b>	<b>2,523</b>	<b>5,113</b>	<b>10,960</b>
<b>Equity and Liabilities</b>				
Equity Share Capital	59	59	59	99
Other Equity	378	732	1,734	3,880
<b>Total Equity</b>	<b>437</b>	<b>791</b>	<b>1,793</b>	<b>3,979</b>
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
(i) Borrowings	148	58	72	119
(ii) Lease Liabilities	26	25	27	49
(iii) Other financial liabilities	4	4	5	4
Provisions	98	128	142	164
Deferred tax liabilities (net)	0	0	0	7
Other non current liabilities	0	0	8	17
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
(i) Borrowings	727	535	682	3,344
(ii) Lease Liabilities	3	3	3	5
(iii) Trade Payables	541	597	644	786
(iv) Other financial liabilities	35	103	1,488	1,902
Contract Liabilities	61	108	76	197
Other Current Liabilities	31	39	52	62
Current tax liabilities (net)	107	132	120	326
<b>Total Current Liabilities</b>	<b>1,505</b>	<b>1,517</b>	<b>3,066</b>	<b>6,623</b>
<b>Total Liabilities</b>	<b>1,782</b>	<b>1,732</b>	<b>3,320</b>	<b>6,981</b>
<b>Total Equity and Liabilities</b>	<b>2,218</b>	<b>2,523</b>	<b>5,113</b>	<b>10,960</b>

Source: RHP, BP Equities Research

## Disclaimer Appendix

**Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

We analysts and the authors of this report, hereby certify that all of the views expressed in this research report accurately reflect our personal views about any and all of the subject issuer (s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation (s) or view (s) in this report. Analysts aren't registered as research analysts by FINRA and might not be an associated person of the BP Equities Pvt. Ltd. (Institutional Equities).

**General Disclaimer**

This report has been prepared by the research department of BP EQUITIES Pvt. Ltd, is for information purposes only. This report is not construed as an offer to sell or the solicitation of an offer to buy or sell any security in any jurisdiction where such an offer or solicitation would be illegal.

BP EQUITIES Pvt. Ltd have exercised due diligence in checking the correctness and authenticity of the information contained herein, so far as it relates to current and historical information, but do not guarantee its accuracy or completeness. The opinions expressed are our current opinions as of the date appearing in the material and may be subject to change from time to time. Prospective investors are cautioned that any forward looking statement are not predictions and are subject to change without prior notice.

Recipients of this material should rely on their own investigations and take their own professional advice. BP EQUITIES Pvt. Ltd or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. BP EQUITIES Pvt. Ltd. or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

BP EQUITIES Pvt. Ltd and/or its affiliates and/or employees may have interests/ positions, financial or otherwise in the securities mentioned in this report. Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by any person in any locality, state and country or other jurisdiction where such distribution, publication or use would be contrary to the law or regulation or would subject to BP EQUITIES Pvt. Ltd or any of its affiliates to any registration or licensing requirement within such jurisdiction.

**Corporate Office:**

4th floor,  
Rustom Bldg,  
29, Veer Nariman Road, Fort,  
Mumbai-400001  
Phone- +91 22 6159 6464  
Fax-+91 22 6159 6160  
Website- [www.bpwealth.com](http://www.bpwealth.com)

**Registered Office:**

24/26, 1st Floor, Cama Building,  
Dalal street, Fort,  
Mumbai-400001  
  
BP Wealth Management Pvt. Ltd.  
CIN No: U67190MH2005PTC154591  
  
BP Equities Pvt. Ltd.  
CIN No: U67120MH1997PTC107392