

Oswal Pumps Ltd.

Company Overview:

Oswal Pumps Ltd (OPL) is the fastest growing vertically integrated solar pump manufacturer in India, in terms of revenue growth between FY22-FY24). The company manufactures solar-powered & grid-connected submersible and monoblock pumps, electric motors and solar modules which are sold under the 'Oswal' brand name. The company has emerged as one the largest supplier of solar powered agricultural pumps under the PM Kusun Scheme in FY23 and FY24; and has directly or indirectly supplied ~38.0% of the total solar powered agricultural pumps installed as of Dec'24. Further, the company is amongst the few fully integrated turnkey solar pumping system providers in India with the capability to manufacture solar powered agricultural pumps, solar modules, pump controllers along with providing installation services.

Key Highlights:

1. Amongst the largest pump supplier under the PM Kusun Scheme: OPL started supplying solar powered agricultural pumps under the PM Kusun Scheme in 2019 and within 4 years became one of the largest suppliers to the scheme participants. As of Apr'25, the company has supplied 45,545 solar pumping systems to various state governments under the PM Kusun Scheme including marquee players like Tata Power Solar Systems Ltd and certain vendors empanelled under the Mukhyamantri Saur Krushi Pump Yojana launched by the Government of Maharashtra in 2019.

2. Vertically integrated manufacturing capabilities: The company's operations are vertically integrated, encompassing the manufacturing of components for pumps and production of solar modules for solar-powered pumps. This approach has resulted in the company having the ability to design & develop products as well as optimizing costs to improve margins.

3. Strong distribution network: As of Dec'24, the company operated through a robust distribution network of 925 distributors across India. During FY22/FY23/FY24/9MFY25 the company added 170/101/62/289 distributors across the country. The company has also introduced 'Oswal Shopee' in Mar'24 to bolster its market presence, and operates a total of 248 'Oswal Shopee' as of Jun'25.

4. Robust manufacturing facilities: The company operates one of India's largest single-site pump manufacturing facility in Karnal, Haryana spread over an area of 41,076 sq mt. As of Dec'24, OPL's annual installed capacity stood at 1,160 MT for stainless steel pumps, 2,366 MT for cast iron pumps, 1,315 MT for stainless steel motors, 562 MT for cast iron motors and 570 MW for production of solar modules. The company plans to expand its capacity from ~2 lakh pumps to ~5 lakh pumps and solar module from 570 MW to ~2,200 MW by 2028.

Valuation: At the upper price band of Rs 614, the IPO is valued at 9MFY25 annualized P/E and EV/EBITDA multiple of 24.2x and 15.1x respectively at post issue capital. The company is amongst the largest suppliers of solar pumps under PM Kusun Scheme for FY23 & FY24 and is one of the few companies with vertically integrated turnkey solar pumping system capabilities in India. The company has delivered robust Revenue/EBITDA/PAT CAGR of 45.1%/97.4%/140.2% between FY22-FY24 respectively. The company currently has an order book of Rs 1,100 cr which is ~0.8x of its 9MFY25 annualized revenue with an additional bid pipeline of ~Rs 3,200 cr indicating decent growth visibility. However, an overhang for the business would be its dependence on government projects/policy and delay in cash flow. We recommend investors to **SUBSCRIBE** to the issue for long-term investment horizon.

Issue Details	
Date of Opening	13 th June 2025
Date of Closing	17 th June 2025
Price Band (Rs)	584 – 614
Offer for sale (shares)	81,00,000
Fresh Issue (Rs cr)	890
Issue Size (Rs cr)	1,363 – 1,387
Issue Size (No. of shares)	2,33,39,726 – 2,25,95,114
Face Value (Rs)	1
Post Issue Market Cap (Rs cr)	6,700 – 6,998
BRLMs	IIFL Capital Services, Axis Capital, CLSA India, JM Financial, Nuvama Wealth Management.
Registrar	MUFG Intime India Pvt Ltd.
Bid Lot	24 shares and in multiple thereof
QIB shares	50%
Retail shares	35%
NIB shares	15%

Objects of Issue	
	Estimated utilization from net proceeds (Rs cr)
Funding capex requirement of the company	89.9
Investment in wholly owned subsidiary 'Oswal Solar' for setting up a new manufacturing unit	272.8
Prepayment/Repayment of borrowings availed by the company	280.0
Investment in 'Oswal Solar' for prepayment/repayment of borrowings availed by the subsidiary	31
General corporate purposes [^]	-
Total proceeds from fresh issue	890.0

[^] The amount to be utilized towards general corporate purposes shall not exceed 25% of the Gross Proceeds.

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	9,93,62,300	99.9
Public & Others	1,20,000	0.1
Total	9,94,82,300	100.0

Post Issue @ Lower Price Band	No. of Shares	%
Promoter & Promoter Group	9,12,62,300	79.6
Public & Others	2,34,59,726	20.4
Total	11,47,22,026	100.0

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	9,12,62,300	80.1
Public & Others	2,27,15,114	19.9
Total	11,39,77,414	100.0

Source: RHP, SSL Research

Key Financial Metrics

Particulars (Rs cr)	FY22	FY23	FY24	9MFY25
Revenue from operations	360.4	385.0	758.6	1,065.7
EBITDA	38.5	57.8	150.1	321.0
PAT	16.9	34.2	97.7	216.7
EBITDA Margin (%)	10.7	15.0	19.8	30.1
PAT Margin (%)	4.7	8.9	12.9	20.3
RoE (%)	38.8	43.3	54.5	-
RoCE (%)	24.6	37.9	56.6	-
P/E (x)*	360.8	178.6	62.5	-

Source: RHP, SSL Research

*Pre-issue based on upper price band

Risk Factors

- **Government scheme related risk:** The company derived 55.3%/69.7%/85.7%/87.3% of its FY22/FY23/FY24/9MFY25 revenue respectively from the PM Kusum Scheme (directly or indirectly) which is subject to government budgeting activity.
- **Geographical and Customer concentration risk:** During FY22/FY23/FY24/9MFY25, Haryana and Maharashtra contributed 59.5%/ 62.7%/80.1%/79.1% respectively to revenue, which denotes concentration on these 2 states for revenue. Further, OPL also derived 66.3%/72.6%/79.5%/78.9% of its FY22/FY23/FY24/9MFY25 revenue respectively from the Top 10 customers.
- **Receivable risk:** The company's receivables have increased from ~Rs 38 cr in FY22 to ~Rs 711 cr as of 9MFY25 as the company receives a large chunk of its revenue from government tendering business. The receivable days are high at 140-150 days from government projects.
- **Raw material price risk:** The company uses copper and solar cells for manufacturing of pumps and solar modules. Any failure to source the raw materials in cost effective manner may have an adverse impact on the company's financial performance.

Growth Strategies

- Backward integration of pump manufacturing value chain and enhance automation in pump manufacturing process.
- Continue to focus on Government schemes while maintaining leadership positions.
- Increase manufacturing capacities for solar modules along with backward integration.
- Introduce new products in the industrial pumps and electric motors categories.
- Increase geographical presence in key markets and focus on growing the exports business.
- Strengthen capabilities through strategic acquisitions.

Revenue Mix – PM Kusum Scheme and ex-PM Kusum Scheme

Particulars	FY22		FY23		FY24		9MFY25	
	Rs cr	as a % of Revenue	Rs cr	as a % of Revenue	Rs cr	as a % of Revenue	Rs cr	as a % of Revenue
PM Kusum Scheme (directly or indirectly)	188.4	55.3	249.9	69.7	626.9	85.7	859.4	87.3
Ex-PM Kusum Scheme business	152.2	44.7	108.4	30.3	104.4	14.3	125.5	12.7
Total	340.6	100.0	358.3	100.0	731.3	100.0	985.0	100.0

Source: RHP, SSL Research

Manufacturing capabilities over the years



Source: RHP, SSL Research

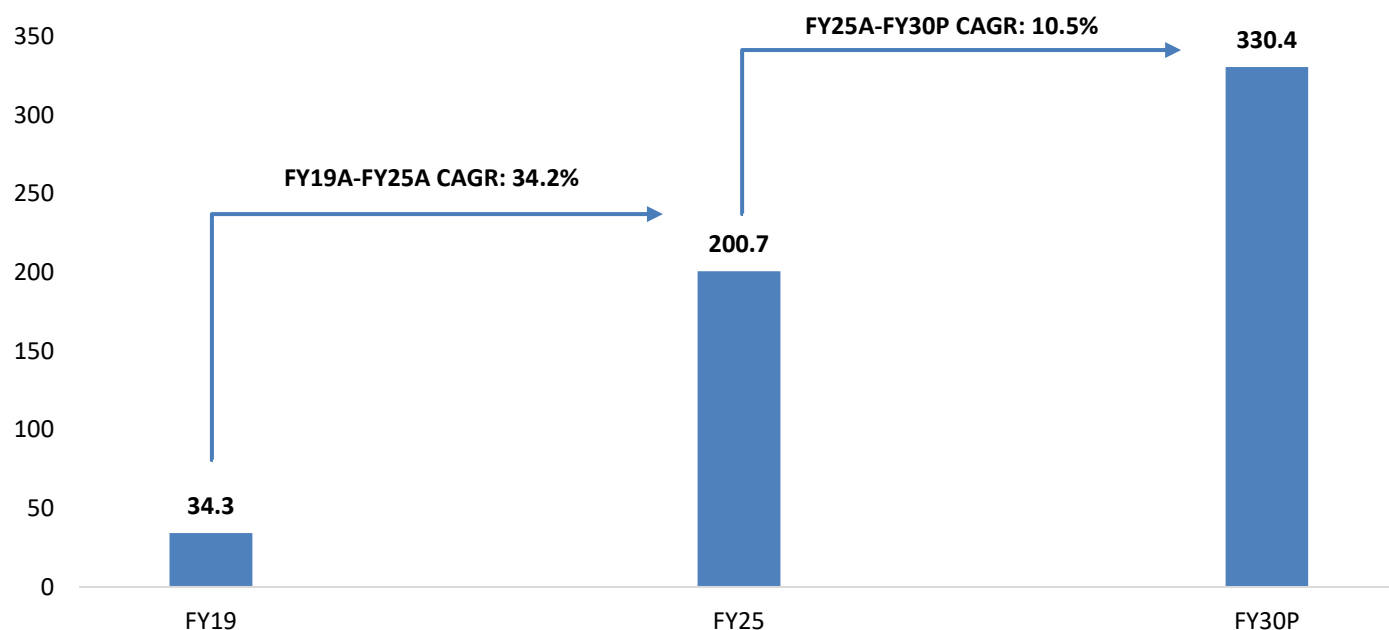
Revenue Mix – Product wise

Particulars	FY22		FY23		FY24		9MFY25	
	Rs cr	as a % of Revenue	Rs cr	as a % of Revenue	Rs cr	as a % of Revenue	Rs cr	as a % of Revenue
Submersible Pumps								
Turnkey Solar Pumping Systems	13.3	3.9	64.6	18.0	361.9	49.5	656.2	66.6
Solar Submersible Pumps	169.4	49.7	115.3	32.2	81.6	11.2	43.7	4.4
Non-Solar Submersible Pumps	81.4	23.9	44.3	12.4	40.1	5.5	35.8	3.6
Monoblock Pumps								
Turnkey Solar Pumping Systems	-	-	34.0	9.5	84.5	11.6	117.4	11.9
Solar Monoblock Pumps	17.0	5.0	27.1	7.6	21.2	2.9	12.2	1.2
Non-Solar Monoblock Pumps	7.1	2.1	4.7	1.3	4.2	0.6	4.1	0.4
Other Pumps & Services								
Electric Motors	33.0	9.7	30.8	8.6	37.2	5.1	44.0	4.5
Others	19.4	5.7	37.6	10.5	100.6	13.8	71.6	7.3
Total	340.6	100.0	358.3	100.0	731.3	100.0	985.0	100.0

Source: RHP, SSL Research

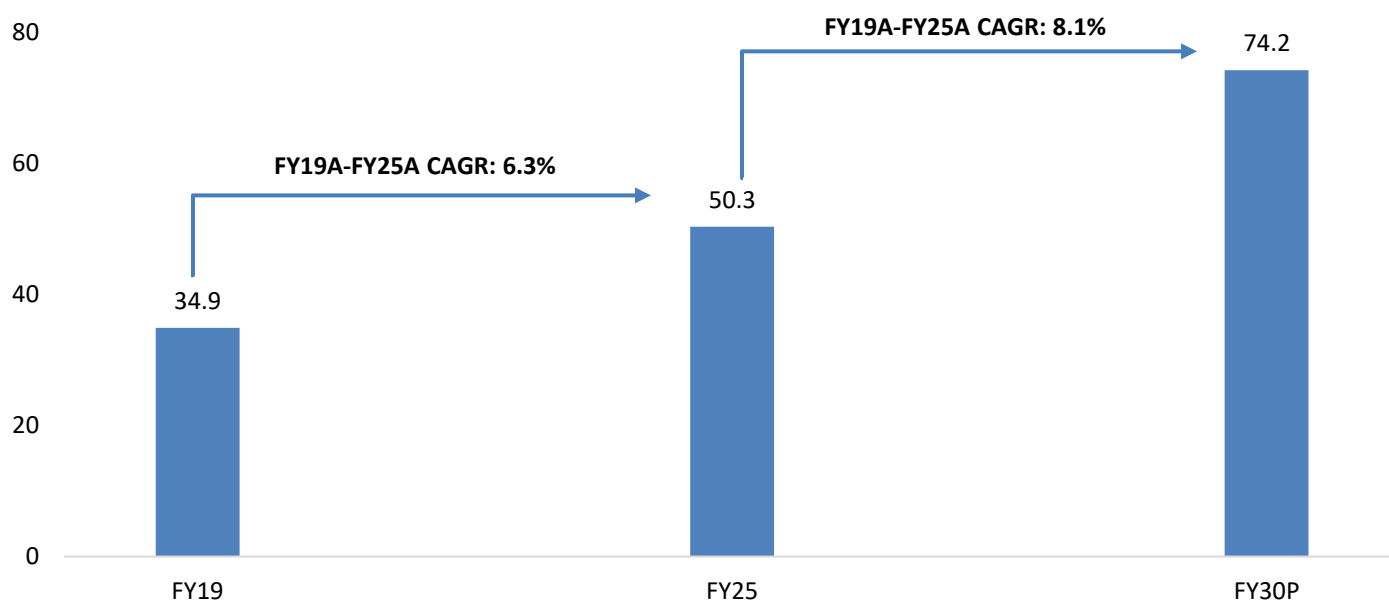
Industry Overview

Indian Submersible Pumps Market (Rs bn)



Source: RHP, SSL Research

Indian Monoblock Pumps Market (Rs bn)



Source: RHP, SSL Research

Financial Snapshot

INCOME STATEMENT				
(Rs cr)	FY22	FY23	FY24	9MFY25
Revenue from Operations	360	385	759	1,066
YoY growth (%)	-	6.8%	97.0%	-
Cost Of Revenues (incl. Stock Adj.)	254	267	503	582
Gross Profit	106	118	256	484
Gross margins (%)	29.5%	30.7%	33.7%	45.4%
Employee Cost	29	29	42	49
Other Operating Expenses	38	31	63	114
EBITDA	39	58	150	321
EBITDA margins (%)	10.7%	15.0%	19.8%	30.1%
Other Income	1	2	3	2
Interest Exp.	8	6	14	29
Depreciation	7	8	9	8
PBT	24	47	130	286
Tax	7	12	32	70
PAT	17	34	98	216
PAT margin (%)	4.7%	8.9%	12.9%	20.2%
EPS (Rs)	1.7	3.4	9.8	21.7
Adj. PAT	17	34	98	217
Adj. PAT margin (%)	4.7%	8.9%	12.9%	20.3%
Adj. EPS	1.7	3.4	9.8	21.8

BALANCE SHEET				
(Rs cr)	FY22	FY23	FY24	9MFY25
Assets				
Net Block	68	78	94	117
Capital WIP	-	3	1	6
Intangible Assets	4	-	-	4
Right of use assets	4	3	3	5
Other Non-current Assets	5	12	15	21
Current Assets				
Inventories	75	68	122	167
Trade receivables	37	73	240	711
Cash and Bank Balances	14	8	4	7
Other Current Assets	15	7	32	56
Total Current Assets	142	156	398	942
Current Liabilities & Provisions				
Trade payables	54	60	64	79
Other current liabilities	20	34	168	242
Short-term provisions	3	4	5	6
Total Current Liabilities	77	98	238	327
Net Current Assets	65	58	160	614
Total Assets	144	154	273	769
Liabilities				
Share Capital	6	6	6	10
Reserves and Surplus	38	73	173	388
Total Shareholders' Funds	44	79	179	398
Total Debt	88	59	75	346
Long Term Provisions	10	13	14	16
Lease Liabilities	3	3	3	5
Other Long-Term Liabilities	-	-	1	2
Net Deferred Tax Liability	-	-	-	1
Total Liabilities	144	154	273	769

Cashflows (Rs cr)	FY22	FY23	FY24
Cash flow from Operating Activities	65	50	17
Cash flow from Investing Activities	(46)	(21)	(24)
Cash flow from Financing Activities	(14)	(33)	3
Free Cash Flow	30	25	(9)

RATIOS			
	FY22	FY23	FY24
Profitability			
Return on Assets (%)	7.6	13.6	19.1
Return on Capital Employed (%)	24.6	37.9	56.6
Return on Equity (%)	38.8	43.3	54.5
Margin Analysis			
Gross Margin (%)	29.5	30.7	33.7
EBITDA Margin (%)	10.7	15.0	19.8
Adj. Net Profit Margin (%)	4.7	8.9	12.9
Short-Term Liquidity			
Current Ratio (x)	0.9	1.0	1.3
Quick Ratio (x)	0.4	0.6	0.9
Avg. Days Sales Outstanding	38	69	115
Avg. Days Inventory Outstanding	108	93	89
Avg. Days Payables	61	67	39
Fixed asset turnover (x)	5.3	5.0	8.1
Debt-service coverage (x)	0.3	0.8	1.6
Long-Term Solvency			
Total Debt / Equity (x)	2.0	0.7	0.4
Interest Coverage Ratio (x)	3.9	8.9	10.1
Valuation Ratios*			
EV/EBITDA (x)	160.5	106.5	41.2
P/E (x)	360.8	178.6	62.5
P/B (x)	139.9	77.2	34.1
EV/Sales (x)	17.2	16.0	8.1
P/Sales (x)	16.9	15.9	8.1

**Valuation ratios are based on pre-issue capital at the upper price band*

Source: RHP, SSL Research

Peer Comparison (FY25)

Particulars (Rs cr)	Oswal Pumps Ltd ^{^1}	KSB Ltd ^{^2}	Kirloskar Brothers Ltd	Shakti Pumps (India) Ltd	WPIL Ltd	Roto Pumps Ltd
CMP (Rs)	614.0	859.3	1,847.5	978.0	419.2	281.6
Sales	1,420.9	2,533.1	4,492.2	2,516.2	1,806.9	297.9
EBITDA	428.0	337.5	609.2	603.0	292.6	63.4
Net Profit	288.9	247.5	418.7	408.4	126.2	33.7
Mkt Cap.	6,998.2	14,955.2	14,670.8	11,756.6	4,094.4	1,768.6
Enterprise Value	6,450.9	14,631.7	14,453.1	11,754.9	4,088.9	1,769.7
EBITDA Margin (%)	30.1	13.3	13.6	24.0	16.2	21.3
Net Profit Margin (%)	20.3	9.8	9.3	16.2	7.0	11.3
P/E (x)	24.2	60.4	35.0	28.8	32.4	52.5
EV/EBITDA (x)	15.1	43.3	23.7	19.5	14.0	27.9
RoE (%)	72.6	16.7	20.0	35.2	9.2	15.2
RoCE (%)	56.0	21.5	8.6	45.2	16.4	19.3
EV/Sales (x)	4.5	5.8	3.2	4.7	2.3	5.9

(^{^1}) Annualized 9MFY25 numbers; RoE and RoCE calculated on Pre-issue capital

For Oswal Pumps Limited, the Market cap, P/E(x), and EV/EBITDA (x), EV/Sales (x) are calculated on post-issue equity share capital based on the upper price band.

(^{^2}) Financials for KSB Ltd reported for Calendar Year 2024 (CY24).

CMP as on 10th June, 2025.

Source: RHP, SSL Research

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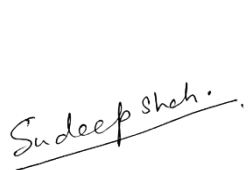
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