

# Oswal Pumps Limited

June 12, 2025



Oswal Pumps Ltd. manufactures solar-powered and grid-connected submersible and monoblock pumps, electric motors including induction and submersible motors, as well as solar modules, all marketed under the 'Oswal' brand. With over 22 years of experience in pumps, covering engineering, product design, manufacturing, and testing, Oswal's diverse product portfolio caters to the agricultural, residential, and industrial sectors. The company's operations are supported by two manufacturing facilities located in Karnal, Haryana. One dedicated to the production of pumps and motors, and the other focused on manufacturing solar modules.

## Investment Rationale:

### One of the largest suppliers of solar powered agricultural pumps

- Oswal Pumps is one of the largest suppliers of solar-powered agricultural pumps under the PM Kusum Scheme and has delivered one of the fastest revenue growth rates in the sector, supported by a 45% CAGR over FY22-24.
- The Indian solar pump market, valued at ₹164.5 billion in FY25, is expected to grow significantly, and Oswal is well-positioned to capitalize on this through its diversified offerings and participation both directly and via key players in government-led schemes.
- With 1.22 million pumps sanctioned and only 62.9% installed so far under PM Kusum, a substantial opportunity remains.
- Additionally, the company is targeting direct-to-farmer sales beyond government subsidies, creating a long-term scalable market.
- The large domestic replacement market, with over 21 million groundwater pumps requiring periodic replacement, presents a steady demand stream where Oswal's solar solutions offer cost and efficiency benefits.
- Globally, the solar pump market is projected to more than double by 2029, offering Oswal significant export potential as it eyes markets in the USA and Europe where combined solar opportunities could exceed USD 80 billion by 2029.

### Margin Expansion Through Backward Integration and Automation

- Oswal's focused investments in backward integration for solar module manufacturing and critical pump components, alongside automation of press, welding, and CNC operations, are expected to materially improve margins.
- With over ₹2,200 million allocated towards capacity building and automation, Oswal is structurally set to optimize costs, increase in-house value addition, and achieve better control over its supply chain, supporting sustained margin improvement over time.

### Solar Module Capacity Expansion to Drive Multi-Fold Growth

- The company's planned expansion from 570 MW to 2,070 MW of solar module capacity, a nearly 3.6x increase, positions Oswal to potentially grow its top line by multiple times over the medium term.
- This is expected to be driven by both incremental domestic demand under PM Kusum and new export orders across solar pump systems, modules, and turnkey installations.

### Product Diversification to Support Scale and Profitability

- Oswal is significantly expanding its product portfolio in high-growth areas such as industrial pumps and electric motors, where the Indian markets are projected to grow at double-digit CAGRs over the next five years.
- Upcoming launches across helical rotor pumps, pressure pumps, chemical pumps, and vibrant electric motors are expected to strengthen the company's position in these segments and contribute meaningfully to future revenue.
- The growing contribution from these categories is likely to enhance operating leverage, driving both scale and profitability.

**Valuation and Outlook:** The budget of India allocated INR 100,000 million to solar power projects in FY25, which was a 110% increase from the INR 47B allocated in FY24. The Indian pump industry is poised to grow at a healthy CAGR of 9.2% to ₹591.9 billion by Fiscal 2030, with the agricultural pumps segment growing at 8.4% annually, offering Oswal significant runway for expansion. Government schemes like PM Kusum, which promote solar pump installations and rural electrification, are expected to remain key demand drivers, further bolstering Oswal's addressable market. Oswal's aggressive capacity expansion from 570 MW to 2,070 MW which is nearly **3.6x increase in capacity** in its solar module manufacturing is expected to scale up its top line. Additionally, Oswal's entry into backward-integrated manufacturing of solar modules, cells, EVA sheets, and junction boxes is anticipated to enhance cost efficiency and margins while supporting supply chain security. New product launches, including electric motors, submersible cables, and inverters, are expected to contribute incremental revenues annually in the near term, further strengthening the growth momentum. While Oswal's current scale is smaller than its largest peers in the industry, its faster growth, higher margins, and product diversification make it a standout in the sector. We recommend subscribe to the issue due to the company offering a unique combination of **backward integrations, aggressive capacity expansion and strong market share gains due to new product launches.**

## Key Financial & Operating Metrics (Consolidated)

In INR mn	Revenue	YoY (%)	EBITDA	EBITDA %	PAT	EPS	ROE	ROCE
FY22	3603.84	-	385.23	10.69	169.29	1.70	38.76	24.63
FY23	3850.36	6.84	578.19	15.02	341.99	3.44	55.73	38.95
FY24	7585.71	97.01	1,501.24	19.79	976.65	9.82	75.61	73.37

## Issue Snapshot

Issue Open	13-Jun-25
Issue Close	17-Jun-25
Price Band	INR 584-614
Issue Size (Shares)	1,44,95,114
Market Cap (mln)	INR 69982

## Particulars

Fresh Issue (INR mln)	INR 8900
OFS Issue (INR mln)	INR 4973.4
QIB	50%
Non-institutionals	15%
Retail	35%

## Capital Structure

Pre Issue Equity	9,94,82,300
Post Issue Equity	11,39,77,414
Bid Lot	24 Shares
Minimum Bid amount @ 584	INR 14016
Maximum Bid amount @ 614	INR 14736

## Share Holding Pattern

	Pre Issue	Post Issue
Promoters	99.88%	80.07%
Public	0.00%	19.93%

## Particulars

Face Value	INR 1
Book Value	INR 93.81
EPS, Diluted	INR 8.57

## Objects of the Issue

- Funding Capex: INR 898.60 million
- Investment in Oswal Solar for setting up new manufacturing unit: INR 2727.58 million
- Prepayment or repayment of borrowings: INR 2800 million
- Repayment of borrowings of Oswal Solar: INR 310 million
- Repayment of borrowings of Oswal Solar: INR 310 million

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Category	Installed Capacity (MT)	Available Capacity (MT)	Actual Production (MT)	Capacity Utilisation (%)	Installed Capacity (MT)	Available Capacity (MT)	Actual Production (MT)	Capacity Utilisation (%)	Installed Capacity (MT)	Available Capacity (MT)	Actual Production (MT)	Capacity Utilisation (%)
	FY24				FY23				FY22			
Stainless Steel Pumps (MT)	1,160.07	1,160.07	662.12	57.10%	1,160.07	1,160.07	722.86	62.30%	1,160.07	1,160.07	734.26	63.30%
Cast Iron Pumps (MT)	2,123.04	2,123.04	1,552.69	73.10%	2,123.04	2,123.04	1,437.43	67.70%	2,723.60	2,723.60	2,010.34	73.80%
Stainless Steel Motors (MT)	1,314.72	1,314.72	589.94	44.90%	1,314.72	1,314.72	609.99	46.40%	1,314.72	1,314.72	604.3	46.00%
Cast Iron Motors (MT)	561.6	561.6	457.03	81.40%	561.6	561.6	388.44	69.20%	764.4	764.4	672.36	88.00%

## Revenue by product:

Particulars	Nine months ended December 31, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	Percentage of Revenue from Operations*	Amount (₹ million)	Percentage of Revenue from Operations*	Amount (₹ million)	Percentage of Revenue from Operations*	Amount (₹ million)	Percentage of Revenue from Operations*
Turnkey Solar Pumping Systems (Submersible Pumps) <sup>(1)</sup>	6,562.39	66.62%	3,618.97	49.49%	646.07	18.03%	133.25	3.91%
Turnkey Solar Pumping Systems (Monoblock Pumps) <sup>(2)</sup>	1,174.36	11.92%	\$45.36	11.56%	340.11	9.49%	Nil	Nil
Solar Submersible Pumps <sup>(3)</sup>	436.95	4.44%	\$16.09	11.16%	1,152.66	32.17%	1,694.20	49.74%
Solar Monoblock Pumps <sup>(4)</sup>	121.61	1.23%	211.70	2.39%	271.17	7.57%	170.08	4.99%
Non-Solar Submersible Pumps <sup>(5)</sup>	357.82	3.63%	401.28	5.49%	442.66	12.35%	813.73	23.89%
Non-Solar Monoblock Pumps <sup>(6)</sup>	41.02	0.42%	41.55	0.57%	47.04	1.31%	70.80	2.08%
Electric Motors <sup>(7)</sup>	439.83	4.47%	371.79	5.08%	307.64	8.59%	329.75	9.68%
Others <sup>(8)</sup>	715.90	7.27%	1,006.37	13.76%	375.66	10.49%	194.31	5.70%
<b>Total</b>	<b>9,849.88</b>	<b>100.00%</b>	<b>7,313.11</b>	<b>100.00%</b>	<b>3,582.99</b>	<b>100.00%</b>	<b>3,406.13</b>	<b>100.00%</b>

## Industry Overview:

**Budget allocation towards agriculture in India:** The Indian government has allocated a budget of INR 1,378B for the Ministry of Agriculture in FY26, slightly lower than the current fiscal year's revised estimates INR 1,414B. FY25 budget was divided into INR 1,170B for the Department of Agriculture, allocation aims to support agricultural growth and productivity by focusing on areas like crop insurance, expanding nano fertilizer coverage, and promoting self-sufficiency in oilseed production. The budget of India allocated INR 10,000 Cr to solar power projects in FY25, which was a 110% increase from the INR 47B allocated in FY24.

India's budget allocation for agriculture (INR B, FY20-26\*)



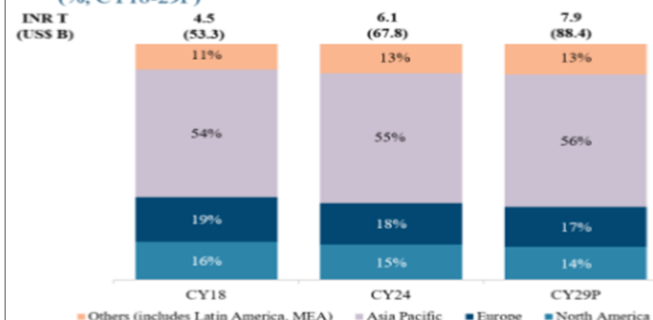
## Revenue by industry:

Particulars	Nine months ended December 31, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	Percentage of Revenue from Operations*	Amount (₹ million)	Percentage of Revenue from Operations*	Amount (₹ million)	Percentage of Revenue from Operations*	Amount (₹ million)	Percentage of Revenue from Operations*
Agriculture	9,510.52	96.55%	7,024.71	96.06%	3,254.70	90.84%	2,964.21	87.03%
Residential	222.11	2.26%	157.20	2.15%	183.76	5.13%	239.08	7.02%
Industrial	117.25	1.19%	131.20	1.79%	144.53	4.03%	202.84	5.95%
<b>Total</b>	<b>9,849.88</b>	<b>100.00%</b>	<b>7,313.11</b>	<b>100.00%</b>	<b>3,582.99</b>	<b>100.00%</b>	<b>3,406.13</b>	<b>100.00%</b>

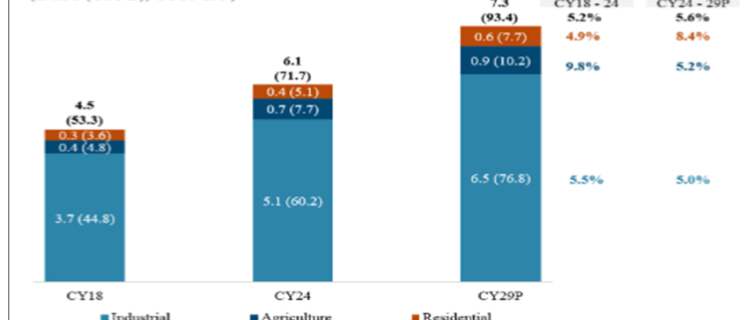
## Revenue by customer bifurcation:

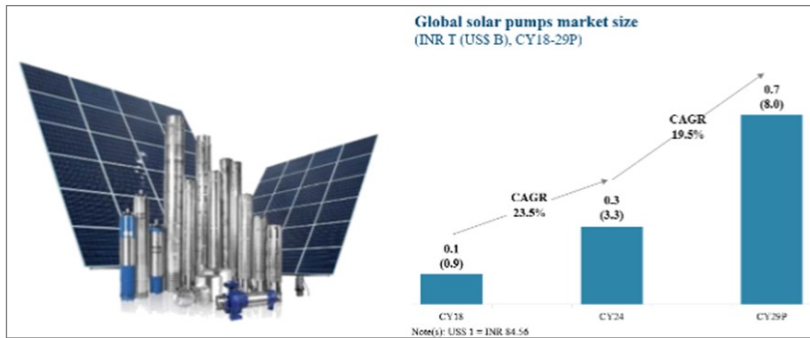
Customer	Nine months ended December 31, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	Percentage of Revenue from Operations*	Amount (₹ million)	Percentage of Revenue from Operations*	Amount (₹ million)	Percentage of Revenue from Operations*	Amount (₹ million)	Percentage of Revenue from Operations*
Institutional customers	704.64	7.15%	3,171.98	43.37%	2,709.02	75.61%	2,000.69	58.74%
Government entities	7,732.86	78.51%	3,338.56	45.65%	Nil	Nil	Nil	Nil
Sales through Distributors	1,045.79	10.62%	392.71	5.37%	396.79	11.07%	817.14	23.99%
Exports	364.51	3.70%	350.72	4.80%	416.95	11.64%	369.88	10.86%
Others**	2.08	0.02%	59.14	0.81%	60.23	1.68%	218.42	6.41%
<b>Total</b>	<b>9,849.88</b>	<b>100.00%</b>	<b>7,313.11</b>	<b>100.00%</b>	<b>3,582.99</b>	<b>100.00%</b>	<b>3,406.13</b>	<b>100.00%</b>

Global pumps market size – By region (%, CY18-29P)








Global pump market segmentation (INR T (US\$ B), CY18-29P)





#### Demand Drivers for agricultural pumps:

Reliable water supply for irrigation	Growing domestic and global food demand	Enhanced irrigation efficiency	Technological advancements	Enhanced farmers' productivity
 <ul style="list-style-type: none"> <li>Need for constant and hassle-free water supply</li> <li>Decreasing groundwater levels, requiring efficient pumps for deeper access</li> </ul>	 <ul style="list-style-type: none"> <li>Increased in agricultural exports</li> <li>Need for modern agricultural machinery, including pumps</li> <li>Rising Indian population, requiring ever-increase supply of agricultural produce</li> </ul>	 <ul style="list-style-type: none"> <li>Assurance of water reaching every part of the field</li> <li>Improves irrigation quality and production rates</li> </ul>	 <ul style="list-style-type: none"> <li>Launch of advanced, high-tech pump solutions</li> <li>Improved efficiency of solar pumps through:               <ul style="list-style-type: none"> <li>Enhanced photovoltaic technology</li> <li>Ease of operation</li> </ul> </li> </ul>	 <ul style="list-style-type: none"> <li>Increase in efficiency by high-flow water pumps</li> <li>Usage of automated irrigation systems leading to high crop yield</li> </ul>

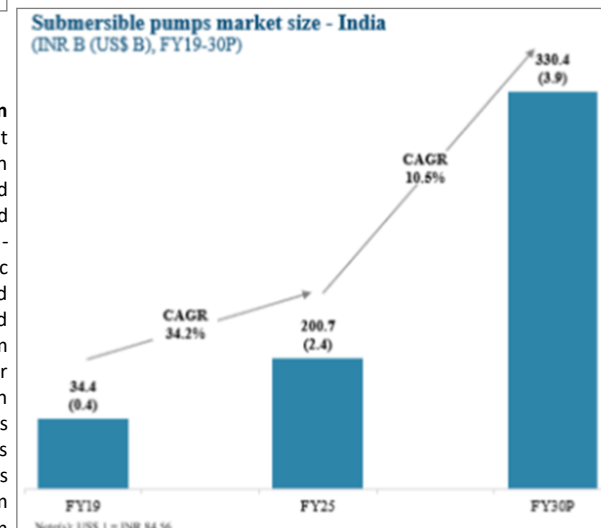
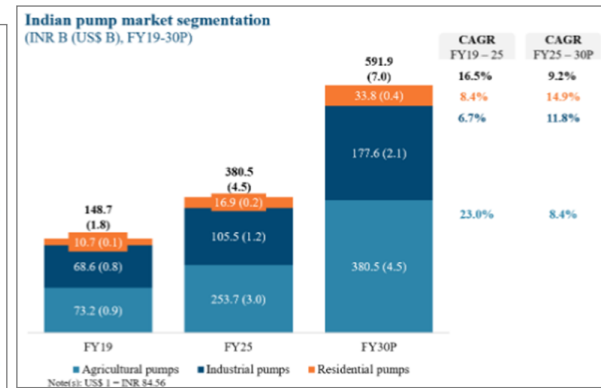
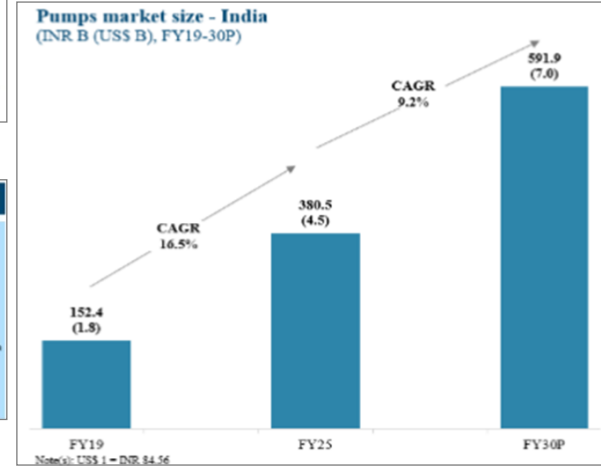
#### Key initiatives driving growth in agricultural pumps segment:

<b>1 Jal Jeevan Mission</b> <ul style="list-style-type: none"> <li>Ensures safe drinking water for rural households</li> <li>Improves water availability for agriculture</li> </ul>	<b>6 PM-KISAN</b> <ul style="list-style-type: none"> <li>Provides INR 6K annually to small &amp; marginal farmers for agricultural inputs</li> <li>Financial support boosts farm income, productivity, and sustainable practices</li> </ul>
<b>2 Swachh Bharat</b> <ul style="list-style-type: none"> <li>Improves sanitation and conserves water resources</li> <li>Develops infrastructure to ensure reliable irrigation</li> </ul>	<b>7 Micro-Irrigation Fund</b> <ul style="list-style-type: none"> <li>Combines micro-irrigation with agricultural pumps</li> <li>Supports efficient water management and cost savings for farmers</li> </ul>
<b>3 PM-KUSUM</b> <ul style="list-style-type: none"> <li>Boosts farmers' income by replacing costly diesel with cheaper solar energy</li> <li>Allows farmers to sell surplus power to DISCOMs and improves its financial health</li> </ul>	<b>8 National Solar Mission</b> <ul style="list-style-type: none"> <li>Offers financial assistance and subsidies for solar-powered pumps in agriculture</li> <li>Encourages decentralized solar power plants by farmers or panchayats</li> </ul>
<b>4 PM-KSY</b> <ul style="list-style-type: none"> <li>Aims to optimize irrigation investments, expand cultivable land and promote precision irrigation</li> <li>Support agricultural pumps for better water management in farming</li> </ul>	<b>9 Agricultural Demand Side Management Program (AgDSM)</b> <ul style="list-style-type: none"> <li>Encourages replacing inefficient agricultural pumps with energy-efficient models</li> <li>Reduces energy consumption and improves pump efficiency</li> </ul>
<b>5 Atal Bhujal Yojana</b> <ul style="list-style-type: none"> <li>Addresses groundwater depletion with sustainable practices for agricultural pumps</li> <li>Promotes water conservation and innovative management techniques</li> </ul>	<b>10 National Energy Efficient Agriculture Pumps Programme (NEEAPP)</b> <ul style="list-style-type: none"> <li>Replaces old agricultural pump sets with energy-efficient ones for low</li> <li>Aims to reduce energy use in irrigation and lowers farmers' irrigation costs</li> </ul>

#### Investment Rationale:

**One of the largest suppliers of solar powered agricultural pumps under the PM Kusum Scheme, well positioned to capitalise on strong industry tailwinds:** Oswal is the fastest growing vertically integrated solar pump manufacturer in India in terms of revenue growth during the last three fiscals, with revenues growing at a CAGR of 45.07% between FY22 and FY24. In 2003, the company commenced operations with the manufacturing of low-speed monoblock pumps and since then, has diversified its operations to manufacture grid-connected high-speed monoblock pumps, grid-connected submersible pumps, electric motors, and solar powered agricultural pumps, establishing a footprint in the solar powered agricultural pumps market. Initially, the company started supplying solar powered agricultural pumps to Turnkey Solar Pumping System providers participating in the PM Kusum Scheme, including Tata Power Solar Systems Limited and certain vendors empanelled under the Mukhyamantri Saur Krushi Pump Yojana launched by the Government of Maharashtra in 2019. Subsequently, in 2021, the company started offering Turnkey Solar Pumping Systems under the PM Kusum Scheme either directly or through third party bidders. Within four years of supplying solar powered agricultural pumps, in FY24 and FY23, the company emerged as one of the largest suppliers of solar powered agricultural pumps under the PM Kusum Scheme by (i) providing Turnkey Solar Pumping Systems directly under the PM Kusum Scheme to farmers, (ii) providing Turnkey Solar Pumping Systems to players participating in the PM Kusum Scheme, and (iii) supplying only solar pumping systems (including solar pump sets, solar modules, structures, and BOS kits, excluding installation services) to players participating in the PM Kusum Scheme.

The Indian pump market was valued at ₹380,500 million in FY25 and is expected to reach ₹591,900 million by FY30, growing at a CAGR of 9.2% between FY25 and FY30. The Indian pump industry is segmented into agricultural pumps, industrial pumps, and residential pumps, with the agricultural pumps sector expected to grow at a CAGR of 8.4%. The Indian solar pump market was valued at ₹164,500 million in FY25 and is projected to grow at a CAGR of 11% to reach ₹271,100 million by FY30.





The table below sets forth details of the orders received and executed by Oswal directly under the PM Kusum Scheme, as of April 30, 2025:

State Government	Letter of Empanelment/Letter of Award	Notice to Proceed (NTP)	Maximum Number of Turnkey Solar Pumping Systems that can be supplied	Execution Timeline
Government of Uttar Pradesh	August 1, 2024	-	3,799	120 days from beneficiary selection
Government of Rajasthan	June 16, 2023	-	Open Order	120 days from beneficiary selection
Government of Rajasthan	March 13, 2023	-	Open Order	120 days from beneficiary selection
Government of Himachal Pradesh	July 8, 2024	-	Open Order	150 days from beneficiary selection
Government of Uttarakhand	June 13, 2024	August 2, 2024	488	150 days from NTP
Government of Uttarakhand	June 13, 2024	August 8, 2024	500	150 days from NTP
Government of Kargil	October 23, 2024	November 11, 2024	120	150 days from beneficiary selection
Government of Ladakh	October 10, 2024	November 1, 2024	171	150 days from beneficiary selection
Government of Karnataka	March 14, 2024	December 21, 2024	Open Order	120 days from beneficiary selection
Government of Haryana	July 31, 2023	April 21, 2025	143	120 days from beneficiary selection
Government of Haryana	July 31, 2023	April 24, 2025	6,598	120 days from beneficiary selection

#### ● Commitment to Sustainable Agricultural Solutions

Oswal is committed to providing sustainable solutions for agricultural water needs through solar powered agricultural pumps. By harnessing solar energy, these pumps reduce reliance on fuel and grid electricity, lowering carbon emissions and promoting clean energy usage. Solar pumps enable a continuous daytime water supply, boosting agricultural productivity. Oswal's manufacturing capabilities and service experience position the company to meet rising demand for solar pumps in India and globally.

#### ● Strong Growth Outlook for Indian Solar Pump Market

The Indian solar pump market was valued at ₹164.5 billion in FY25 and is expected to grow at a CAGR of 11.0% to ₹271.1 billion by FY30. The PM Kusum Scheme is a key growth driver, targeting 1.40 million standalone solar water pumps in off-grid areas to promote renewable energy in agriculture. As of March 31, 2025, 1.22 million pumps have been sanctioned, with 0.77 million installed. The scheme also focuses on solarizing 3.50 million existing grid-connected pumps, creating a substantial market opportunity.

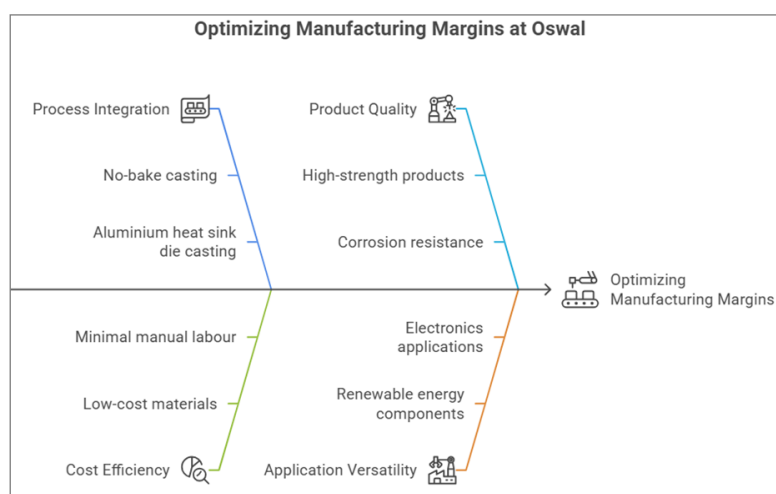
#### ● Large Replacement Opportunity in India

India has approximately 21.6 million groundwater pumps, of which 77% are electric and 22% are diesel-powered. These pumps typically require replacement every five years. The replacement pump market in India is estimated at ₹80 billion in FY25 and is expected to grow to ₹150 billion by FY30, at a CAGR of 13.4%. Oswal is well-positioned to capture this replacement demand, offering solar pumps that provide cost savings, lower maintenance, reduced diesel dependence, and environmentally friendly operation.

#### ● Favourable Global Solar Pump Market Dynamics

The global solar pump market was ₹300 billion in 2024 and is projected to grow at a CAGR of 19.5% to ₹700 billion by 2029. Growth is driven by increasing government support, energy efficiency benefits, cost savings, and the need to mitigate water scarcity and climate change impacts. Supportive policies such as India's PM Kusum Scheme, the USA's Rural Energy for America Program, and the UAE's Solar Rebate Program are accelerating adoption, particularly in remote areas with limited grid access.

**Focused on Backward Integration to Improve Margins:** Oswal plans to increase in-house manufacturing to optimize margins by integrating critical processes like no-bake casting and aluminium heat sink die casting. No-bake casting offers low-cost, lightweight, high-strength products with minimal manual labour, while aluminium heat sink die casting enables the production of corrosion-resistant, lightweight, and thermally efficient components for renewable energy and electronics applications.



Oswal is allocating ₹898.60 million towards plant, machinery, and civil work to support this integration.

Oswal also intends to manufacture Variable Frequency Drives (VFDs) and Single-Phase AC Voltage Controllers in-house, reducing dependency on third-party suppliers and improving profitability. VFDs regulate motor speed, increasing energy efficiency, while AC voltage controllers enhance power quality and system efficiency.

#### Automation-Driven Cost Optimization and Efficiency Enhancement

Oswal aims to automate key pump manufacturing processes to reduce labor costs, enhance efficiency, and improve product quality:

- **Press Operations:** Transitioning to robotic handling and automatic quality checks.
- **Welding Operations:** Shifting to laser welding and automating quality control to minimize manual intervention.

- **CNC Operations:** Introducing robotic arms and automated error-proofing systems to streamline loading, unloading, and quality checks.

These automation initiatives are expected to drive operating margin improvement through higher productivity, better space utilization, and improved process traceability.

### Strategic Inorganic Growth for Technology and Automation

Oswal is exploring inorganic growth through strategic acquisitions to strengthen its technological capabilities, enhance product automation, and improve IT integration. The company plans to pursue a disciplined acquisition strategy focusing on targets with strong management, technological edge, and fair valuations. No specific acquisition targets have been identified as of now.

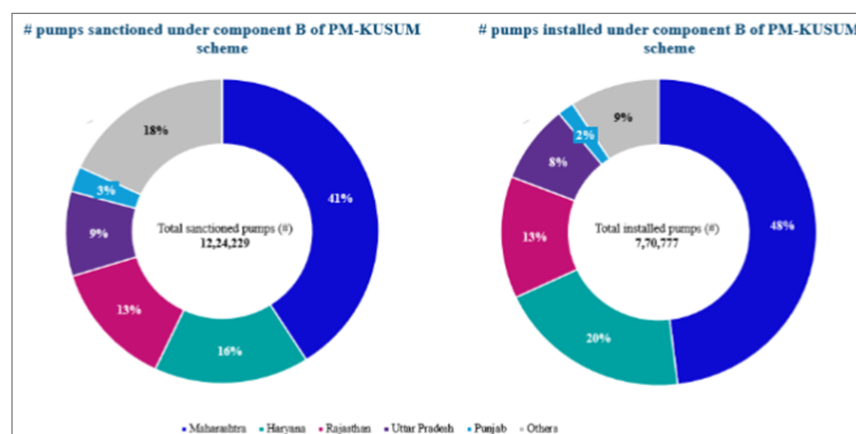
### Continued focus on government schemes and maintain leadership position:

#### Positioned to Capitalize on PM Kusun Scheme Opportunity

Oswal aims to leverage its pump and solar module manufacturing capabilities to benefit from the PM Kusun Scheme, which is driving solar pump adoption for irrigation across India. As of March 31, FY25, 1.22 million Turnkey Solar Pumping Systems have been sanctioned under the scheme, of which only 0.77 million systems (62.9%) have been installed, indicating significant untapped market potential.

Key states contributing to approximately 84% of total sanctioned pumps include Maharashtra, Haryana, Rajasthan, Uttar Pradesh, and Punjab. Maharashtra, Haryana, and Rajasthan alone account for 48%, 20%, and 13% of total installed pumps, respectively. Oswal plans to expand aggressively into Maharashtra, Karnataka, and Madhya Pradesh, focusing on participating in state bidding processes and strengthening its distributor network to capture additional market

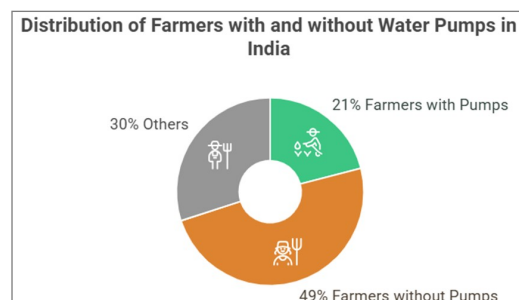
The graph below highlights indicating a market opportunity for solar pump installations:



share.

### Strong Long-Term Market Potential Beyond Subsidy-Based Demand

India's solar pump market remains significantly underpenetrated. Out of 144 million farmers, only around 30 million currently have access to water pumps powered by electricity, diesel, or solar energy. Approximately 70% of farmers without pumps are located in regions with limited natural water sources, creating substantial long-term demand for solar pump solutions.



Oswal also targets direct sales to farmers outside of the PM Kusun subsidy framework. These farmers are expected to adopt solar pumps to immediately lower their electricity or diesel costs, secure reliable irrigation, improve crop yields, and gain operational stability without waiting for government allocations.

**Increasing manufacturing capacity for solar modules and backward integration in solar module manufacturing:** Oswal plans to strengthen its backward integration in solar module manufacturing by adding in-house production of key components such as aluminium extrusion frames, ethylene-vinyl acetate (EVA), junction box back sheets, and potentially on-grid inverters. This initiative is expected to optimize costs, improve product quality, and provide better control over the supply chain.

**Aluminium Extrusion Frames:** Oswal will invest ₹433.59 million to set up a new aluminium extrusion facility at Karnal, Haryana.

**EVA Sheets:** Oswal will allocate ₹268.07 million to establish EVA manufacturing at the same location.

**On-grid Inverters:** Oswal may begin with component assembly and gradually move to full-scale manufacturing, aiming to improve customization and profitability.

**Junction Box Back Sheets:** Future integration of this component is expected to ensure quality and cost efficiency.

These initiatives will enable Oswal to capture a higher portion of the value chain, reduce dependency on external suppliers, and support better margins.

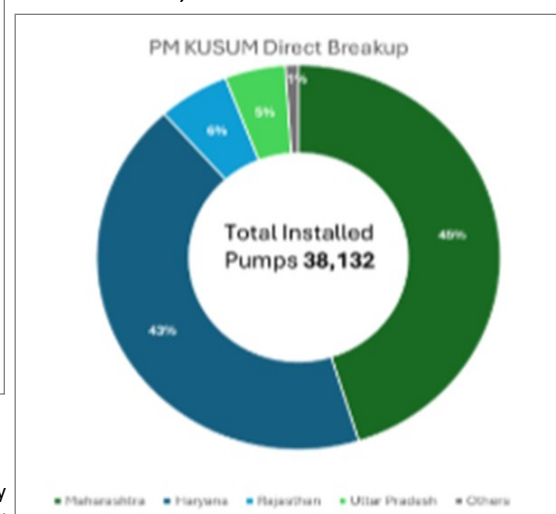
### Solar Module Capacity Expansion to Drive Revenue Growth

As of December 31, 2024, Oswal's annual installed solar module manufacturing capacity stood at 570 MW. Oswal plans to increase this by 1,500 MW, investing ₹1,536.60 million, which will scale the total capacity to **2,070 MW**.

This capacity expansion is aimed at meeting the rising demand for solar pumps under the PM Kusun Scheme.

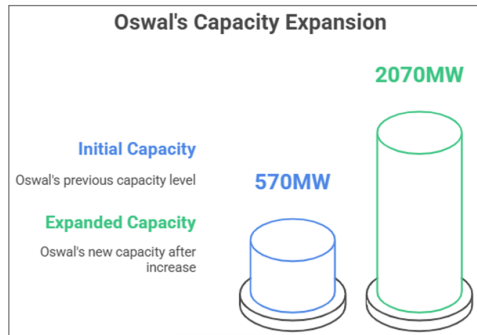
Oswal also plans to serve third-party customers including OEMs, government projects, rooftop, and ground-mounted solar installations.

The graph below sets forth details of Turnkey Solar Pumping Systems supplied directly by Oswal under PM Kusun Scheme as of December 31, 2024:



Oswal intends to support export ambitions to the United States and Europe, tapping into fast-growing international markets projected to reach USD 44 billion and USD 42 billion, respectively, by 2029.

**Impact on Top Line:** With this nearly 3.6x increase in capacity (from 570 MW to 2,070 MW), Oswal will be well-positioned to significantly scale revenue in both the domestic and export markets. The in-house manufacturing of key components is likely to improve operating margins, enhancing profitability on the expanded volumes.



**Expanding Product Portfolio in High-Growth Industrial Pumps Market:** Oswal plans to introduce a new range of industrial pumps to meet diverse industry needs and capitalize on the growing demand in both domestic and international markets. The industrial pump market in India was valued at ₹105.5 billion in FY25 and is expected to grow at a **CAGR of 11.8% to reach ₹177.6 billion by FY30**. The global industrial pump market was valued at ₹5.1 trillion in 2024 and is projected to reach ₹6.5 trillion by 2029, reflecting steady global demand driven by industrialization, infrastructure expansion, and stringent wastewater treatment regulations.

Oswal's revenue from industrial pumps has steadily grown from ₹144.53 million in FY23 to ₹202.84 million in FY24 and further to ₹131.20 million in FY25. For the nine months ended December 31, 2024 (9MFY25), revenue from industrial pumps stood at ₹117.25 million, accounting for **1.19% of the company's core revenue**. This growing contribution reflects the rising relevance of the industrial pumps segment to the company's topline.

Oswal plans to introduce products such as **helical rotor pumps, progressive cavity pumps, PCP screw pumps, industrial centrifugal pumps, inline pumps, pressure pumps, reciprocating pumps, and chemical pumps**, which are expected to further drive revenue growth in this segment.

#### Capitalizing on the Growing Electric Motors Market

Oswal is also focused on expanding its electric motors portfolio, aiming to introduce **vibrant electric motors** used extensively in the construction industry and in feed and flour factories. The Indian electric motor market, estimated at USD 4.1 billion in FY25, is projected to grow at a **CAGR of 14.3% to USD 8.0 billion by FY30**. The global electric motor market is also expected to grow robustly, reaching approximately USD 219.4 billion by 2029.

Electric motor revenue for Oswal has shown consistent growth, increasing from ₹329.75 million in FY22 to ₹307.64 million in FY23, ₹371.79 million in FY24, and ₹439.83 million in 9MFY25, contributing **4.47% of core revenue**. The company's growing product range in electric motors is expected to accelerate market share gains in this high-growth segment.

#### Impact on Top Line

Historically, Oswal's strategic diversification into industrial pumps and electric motors has driven steady revenue contributions, with the combined revenue from these two categories rising from **~₹532 million in FY22 to ~₹503 million in FY24 and ₹557 million in 9MFY25**.

With the upcoming introduction of specialized pumps and vibrant motors targeting untapped industry segments like construction and food processing, Oswal is well-positioned to significantly scale this revenue stream.

The incremental product launches are expected to **meaningfully contribute to top-line growth over the next 3-5 years**, with an anticipated sharp rise in the revenue mix from these new segments, improving overall scale, operating leverage, and profitability.

**Valuation and Outlook:** The budget of India allocated INR 100,000 million to solar power projects in FY25, which was a 110% increase from the INR 47B allocated in FY24. The Indian pump industry is poised to grow at a healthy CAGR of 9.2% to ₹591.9 billion by Fiscal 2030, with the agricultural pumps segment growing at 8.4% annually, offering Oswal significant runway for expansion. Government schemes like PM KUSUM, which promote solar pump installations and rural electrification, are expected to remain key demand drivers, further bolstering Oswal's addressable market. Oswal's aggressive capacity expansion from 570 MW to 2,070 MW which is nearly **3.6x increase in capacity** in its solar module manufacturing is expected to scale up its top line. Additionally, Oswal's entry into backward-integrated manufacturing of solar modules, cells, EVA sheets, and junction boxes is anticipated to enhance cost efficiency and margins while supporting supply chain security. New product launches, including electric motors, submersible cables, and inverters, are expected to contribute incremental revenues annually in the near term, further strengthening the growth momentum. While Oswal's current scale is smaller than its largest peers in the industry, its faster growth, higher margins, and product diversification make it a standout in the sector. We recommend subscribe to the issue due to the company offering a unique combination of **backward integrations, aggressive capacity expansion and strong market share gains due to new product launches**.

## Peer Comparison

Name of Company	Closing Price (₹ Per Equity Share)	Revenue from Operations for Fiscal 2025 (₹ in million)	EPS (₹) Diluted	P/E Ratio
Oswal Pumps Ltd.	614	14,208.95	28.37	21.64
<b>Listed Peers</b>				
Kirloskar Brothers Ltd.	1,848.00	32,109.00	33.01	55.98
Shakti Pumps (India) Ltd.	965	25,162.40	33.97	28.41
WPIL Ltd.	418	18,068.87	13.52	30.92
KSB Ltd.	839	24,089.33	18.45	45.47
Roto Pumps Ltd.	296	2,403.68	4.9	60.41

## FY25

KPI	Oswal	Kirloskar	Shakti	WPIL	KSB	Roto
Revenue from Operations (₹ million)	14,208.95	29,014.00	25,162.40	18,068.87	24,089.33	2,403.68
Total Income (₹ million)	14,231.25	29,422.00	25,333.30	18,441.96	24,444.00	2,437.60
EBITDA (₹ million)	4,775.71	2,322.00	4,744.70	1,478.45	3,310.67	569.40
EBITDA Margin (%)	33.61%	8.00%	18.86%	8.18%	13.74%	23.69%
PAT (₹ million)	3,233.19	3,745.33	4,083.70	1,262.01	2,325.33	307.85
PAT Margin (%)	22.75%	12.91%	16.23%	6.98%	9.65%	12.81%

## 9MFY25

KPI	Oswal	Kirloskar	Shakti	WPIL	KSB	Roto
Revenue from Operations (₹ million)	10,656.71	32,109.00	18,509.00	12,350.00	18,067.00	2,148.87
Total Income (₹ million)	10,673.44	32,573.00	18,635.70	12,665.74	18,333.00	2,176.78
EBITDA (₹ million)	3,210.10	4,661.00	4,390.00	2,127.00	2,483.00	427.05
EBITDA Margin (%)	30.12%	14.52%	23.72%	17.22%	13.74%	19.87%
PAT (₹ million)	2,167.09	2,809.00	2,981.40	1,503.22	1,744.00	210.96
PAT Margin (%)	20.30%	8.62%	16.00%	11.87%	9.51%	9.69%

## FY24

KPI	Oswal	Kirloskar	Shakti	WPIL	KSB	Roto
Revenue from Operations (₹ million)	7,585.71	40,011.99	13,707.39	16,644.04	22,472.38	2,744.96
Total Income (₹ million)	7,612.34	40,598.15	13,743.02	16,926.13	22,795.75	2,789.59
EBITDA (₹ million)	1,501.24	5,802.00	2,248.00	2,982.00	3,029.80	655.5
EBITDA Margin (%)	19.79%	14.45%	16.40%	17.92%	13.49%	23.89%
PAT (₹ million)	976.65	3,496.80	1,417.09	1,930.15	2,087.33	394.15
PAT Margin (%)	12.83%	8.61%	10.31%	11.40%	9.16%	14.13%

# Oswal Pumps Limited

June 12, 2025



Income Statement					Balance Sheet				
Y/E (INR mn)	FY22	FY23	FY24	9MFY25	Y/E (INR mn)	FY22	FY23	FY24	9MFY25
Revenue	3,603.84	3,850.36	7,585.71	10,656.71	<b>Source of funds</b>				
Expenses:					Equity Share Capital	58.52	58.52	58.52	99.48
Raw Material Consumed	2690.98	2607.03	5256.73	5046.26	Reserves	378.19	732.18	1734.19	3879.56
Employee Cost	294.53	293.49	424.02	486.63	Total Share holders	436.71	790.70	1792.71	3979.04
Total Expenses	3,218.61	3,272.17	6,084.47	7,446.61	Total Debt	875.40	592.84	754.22	3,463.32
EBITDA	385.23	578.19	1,501.24	3,210.10	Current Liabilities	1,504.96	1,517.16	3,065.69	6,622.52
EBITDA Margin %	10.69	15.02	19.79	30.12	Trade Payables	540.95	597.07	643.75	786.30
Interest	83.68	59.01	143.13	287.60	Total Non-Current	275.50	212.78	232.98	358.56
Depreciation	69.33	77.53	85.97	84.08	<b>Total Liabilities</b>	2,217.17	2,520.64	5,091.38	10,960.12
Other Income	7.24	24.36	26.63	23.09	<b>Application of funds</b>				
PBT	239.46	466.01	1,298.77	2,861.51	Fixed Assets	711.05	809.43	974.47	1171.97
PAT	169.29	341.99	976.65	2,164.31	Cash and Bank	144.18	78.16	35.77	73.37
EPS	1.70	3.44	9.82	21.76	Current Assets	1421.64	1558.02	3977.94	9417.33
					Trade Recievables	374.98	729.41	2399.03	7111.17
					Other current assets	12.88	12.66	37.59	555.78
					<b>Total Assets</b>	2,217.17	2,520.64	5,091.38	10,960.12

Cash Flow					Key Ratios			
Y/E (INR mn)	FY22	FY23	FY24	9MFY25	Y/E (INR mln)	FY22	FY23	FY24
Profit Before Tax	239.46	466.01	1298.77	2,861.51	<b>Growth Ratio</b>			
Adjustment	180.28	116.50	289.50	463.65	Net Sales Growth(%)	-	6.84	97.01
Changes In working Capital	256.13	19.51	-1062.12	-4,784.01	EBITDA Growth(%)	-	53.53	153.57
Cash Flow after changes in Working Capital	675.87	602.02	526.15	-1,458.85	PAT Growth(%)	-	102.01	185.58
Tax Paid	-26.72	-102.79	-356.95	-515.64	<b>Margin Ratios</b>			
Cash From Operating Activities	649.15	499.23	169.20	-1,974.49	Gross Profit	29.46	30.70	33.70
Cash Flow from Investing Activities	-459.68	-205.45	-235.19	-429.01	EBITDA	10.69	15.02	19.79
Cash from Financing Activities	-135.08	-333.19	34.14	2419.57	PBT	6.64	12.1	17.12
Net Cash Inflow / Outflow	54.39	-39.41	-31.85	6.07	PAT	4.7	8.88	12.87
Opening Cash & Cash Equivalents	21.03	75.42	36.01	4.16	<b>Return Ratios</b>			
Closing Cash & Cash Equivalent	75.42	36.01	4.16	10.23	ROA	7.64	14.44	25.66
					ROE	38.76	55.73	75.61
					ROCE	24.63	38.95	73.37
					<b>Turnover Ratios</b>			
					Asset Turnover(x)	1.63	1.63	0.67
					Inventory Turnover(x)	4.78	5.37	7.98
					Fixed Asset Turnover (x)	4.62	4.44	7.06
					<b>Solvency Ratios</b>			
					Total Debt/Equity(x)	2.00	0.75	0.42
					Current Ratio(x)	0.94	1.03	1.30
					Quick Ratio(x)	0.44	0.60	1.68
					Interest Cover(x)	3.86	8.90	10.49
					<b>Valuation Ratios</b>			
					P/E	-	-	71.65
					EV/EBITDA	-	-	46.59



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