OSWAL PUMPS LIMITED

June 11, 2025

SMC Ranking

★★½☆☆ (2.5/5)

Issue Highlights

Industry	Indian Pump
Offer for sale (Shares)	8,100,000
Fresh Issue (Shares)	14,495,114
Net Offer to the Public	**22,595,114**
Issue Size (Rs. Cr.)	1319-1387
Price Band (Rs.)	584-614
Offer Date	13-Jun-25
Close Date	17-Jun-25
Face Value	1
Lot Size	24

Issue Composition

	In shares
Total Issue for Sale	22,595,114
QIB	11,297,557
NIB	3,389,267
Retail	7,908,290

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	99.88%	80.07%
QIB	0.00%	9.91%
NIB	0.12%	3.08%
Retail	0.00%	6.94%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

1. Funding certain capital expenditure of the Company.
2. Investment in the wholly-owned Subsidiary, Oswal Solar, in the form of debt or equity, for funding the setting up of new manufacturing units at Karnal, Haryana.
3. Pre-payment/ re-payment, in part or full, of certain outstanding borrowings availed by the Company.
4. Investment in the wholly-owned Subsidiary, Oswal Solar, in the form of debt or equity, for repayment/prepayment, in part or full, of certain outstanding borrowings availed by Oswal Solar.
5. General corporate purposes.

Book Running Lead Manager

- IIFL Capital Services Limited (formerly known as
- IIFL Securities Limited)
- Axis Capital Limited
- CLSA India Private Limited
- JM Financial Limited
- Nuvama Wealth Management Limited

Name of the registrar

- MUFG Intime India Private Limited (formerly Link Intime India Private Limited)

About the company

Incorporated in 2003, Oswal Pumps Limited is a manufacturer and distributor of pumps. The company offers a diverse range of products catering to domestic, agricultural, and industrial applications, including solar pumps, submersible pumps, monoblock pumps, pressure pumps, sewage pumps, electric motors, submersible winding wires & cables, and electric panels. As of August 31, 2024, the company had executed orders for 26,270 turnkey solar pumping systems directly under the PM-KUSUM Scheme for several states, including Haryana, Rajasthan, Uttar Pradesh, and Maharashtra. The company operates a manufacturing facility located in Karnal, Haryana, which covers a total land area of 41,076 square meters as of March 31, 2024. The company has a growing network of distributors across India, increasing from 473 distributors as of March 31, 2022, to 636 distributors as of March 31, 2024. Further, between April 1, 2021, and March 31, 2024, Oswal Pumps exported its products to 17 countries across the Asia-Pacific, Middle East, and North Africa regions.

Strength

One of the largest suppliers of solar powered agricultural pumps under the PM Kusum Scheme, well positioned to capitalise on strong industry tailwinds: Oswal Pumps Limited is among the largest suppliers of solar-powered agricultural pumps under the PM Kusum Scheme and is well-positioned to benefit from strong industry growth. With a revenue CAGR of 45.07% between FY22 and FY24 (Source: 1Lattice Report), it is the fastest-growing vertically integrated solar pump manufacturer in India. Since starting operations in 2003 with low-speed monoblock pumps, Oswal has expanded into high-speed pumps, submersibles, electric motors, and solar-powered pumps. Initially a component supplier, it began offering Turnkey Solar Pumping Systems from 2021 and quickly became a leading player under the PM Kusum Scheme by FY23–24. Oswal's solar pumps support sustainable agriculture by reducing diesel and electricity use, cutting emissions, and ensuring daytime water supply. Backed by quality manufacturing and integrated services, it is well-placed to meet rising domestic and global demand.

Oswal Pumps Limited – Vertically Integrated Manufacturing & Turnkey Capabilities (Short & Crisp): Oswal Pumps Limited operates as a fully vertically integrated manufacturer, producing pump components and solar modules in-house. This integration—strengthened by its associate Walso Solar Solution Pvt. Ltd.—enables product innovation, cost optimization, and margin improvement. As per the 1Lattice Report, Oswal achieved the second-highest EBITDA margin among peers in FY24. Its advanced facility in Karnal, Haryana—one of India's largest single-site pump plants—features backward-integrated processes like casting, stamping, injection moulding, and assembly. With significant installed capacity across stainless steel and cast iron pumps and motors, Oswal ensures high-quality output backed by ISO certifications and rigorous in-house testing. In 2024, Oswal expanded into solar module manufacturing (570 MW capacity) via its subsidiary, Oswal Solar Structure Pvt. Ltd., boosting integration and profitability. The company also offers end-to-end Turnkey Solar Pumping Systems—from design to installation—leveraging in-house capabilities and its associate for BOS and mounting structures, ensuring complete project execution.

Strong Engineering & Product Design: Oswal Pumps Limited has a dedicated engineering team of 20 professionals focused on cost-effective product innovation. Using advanced tools like AutoCAD, SolidWorks, and simulation software, the company has enhanced designs—such as using sheet metal instead of stainless steel and optimizing valve thickness—to improve efficiency and reduce costs.

Diverse Product Portfolio: Oswal offers a wide range of solar and grid-connected submersible and monoblock pumps, electric motors, and solar modules under the 'Oswal' brand. Its diverse product specifications cater to agricultural, residential, and industrial segments, supporting strong brand recall and market presence.

Pan-India Reach with Strong Regional Focus: With a strong presence in key agricultural states like Haryana, Punjab, and Uttar Pradesh, Oswal has expanded its footprint across India. In FY24, ~96% of its revenue came from Indian operations, reflecting strong domestic demand.

Robust Distribution Network: Oswal has a vast network of 925 distributors and introduced the 'Oswal Shoppe' concept to enhance visibility and sales. As of December 2024, 248 Shoppes operated across key states. The company has long-standing distributor relations and also serves institutional clients like Tata Power Solar and Ecozen.

Export & Institutional Sales: Oswal's products are exported to 22 countries and supplied under government schemes like PM Kusum across states. The company served 40+ institutional clients in FY24, with a dedicated sales team promoting the brand through national and international expos.

Backward Integration, Automation & Strategic Expansion: Oswal Pumps Limited aims to boost margins and efficiency through deeper backward integration, enhanced automation, and strategic acquisitions.

- **Backward Integration:** Oswal plans to integrate no-bake casting and aluminium heat sink die casting into its pump manufacturing. These advanced processes will improve quality, reduce costs, and enable in-house production of critical components like Variable Frequency Drives (VFDs) and single-phase AC voltage controllers.
- **Manufacturing Automation:** The company intends to automate press, welding, and CNC operations using robotics and automated quality checks. This will reduce manual intervention, improve productivity, and optimize floor space.
- **Strategic Acquisitions:** Oswal may pursue acquisitions to strengthen its technological capabilities and digitize product offerings. While no targets have been finalized, the company will follow a disciplined evaluation process focused on synergy, leadership, and technology fit.

An investment of ₹89.86 crore has been earmarked for machinery and civil works to support these initiatives.

Strategy

Backward Integration, Automation, and Strategic Acquisitions in Pump Manufacturing: Oswal Pumps Limited aims to improve margins and efficiency through deeper backward integration, automation, and strategic acquisitions.

- **Integration of Core Processes:** Oswal Pumps Limited plans to bring in-house advanced processes like no-bake casting and aluminium heat sink die casting to enhance product quality and reduce costs. It also intends to manufacture critical components such as VFDs and single-phase controllers, currently sourced externally.
- **Process Automation:** To boost productivity and reduce manual dependency, Oswal Pumps Limited will automate key manufacturing steps:
  - Press operations with robotic systems and auto quality checks.
  - Welding through laser automation and integrated QC.
  - CNC operations using robotic arms and error-proofing systems.
- **Strategic Acquisitions:** Oswal Pumps Limited will explore inorganic growth opportunities to strengthen tech capabilities and enhance the digital interface of its products, guided by disciplined selection criteria. Currently, no targets have been finalized.

Leveraging Government Schemes & Solar Irrigation Demand: Oswal Pumps Limited continues to focus on capitalizing on government schemes such as PM-KUSUM to maintain its leadership in the solar pump market. As of March 2025, only 62.9% of the 1.22 million sanctioned solar pumps have been installed, offering significant growth potential. Key states such as Maharashtra, Haryana, and

Rajasthan account for the bulk of installations. Oswal Pumps aims to expand its reach in high-potential states by strengthening its distributor network and targeting both government-subsidized and direct-to-farmer markets, addressing the need for cost-effective and reliable irrigation solutions.

Expanding Solar Module Manufacturing & Backward Integration: Oswal Pumps is significantly enhancing its solar module capacity from 570 MW to 2,070 MW by investing ₹1,53.66 crore (excluding civil work). To ensure quality, cost control, and supply reliability, the company is undertaking backward integration by manufacturing key components such as aluminium extrusion frames, EVA sheets, on-grid inverters, and junction box back sheets at its Karnal facility. This strategy also positions Oswal Pumps to cater to third-party demand and expand exports to high-growth markets like the US and Europe.

Diversifying into Industrial Pumps & Electric Motors: To meet the rising industrial demand, Oswal Pumps plans to introduce new products in the industrial pumps and electric motors segment, including helical rotor, centrifugal, and PCP screw pumps. The industrial pump market in India is projected to grow at a CAGR of 11.8% till FY2030, while the electric motor market is expected to double. Oswal's growing contribution from these segments reflects its strategic shift towards product diversification and value-added offerings.

Strengthening Domestic Reach & Export Markets: Oswal Pumps aims to expand its distribution network, which has grown from 473 distributors in FY22 to 925 as of December 2024. Focus regions include Andhra Pradesh, Karnataka, Tamil Nadu, Gujarat, and Assam. On the export front, Oswal has already supplied to 22 countries and plans to penetrate new markets such as Spain, South Africa, and Sri Lanka, while scaling solar module exports to the US. Certifications like Star Export House and IEC compliance support its global ambitions.

Boosting Brand Visibility through 'Oswal Shoppe': To deepen customer engagement and brand recall, Oswal Pumps is expanding its exclusive retail format—'Oswal Shoppe'—across key states including Punjab, Rajasthan, Madhya Pradesh, Maharashtra, and West Bengal. These outlets will enhance local distributor relationships, ensure better product availability, and drive revenue growth through direct consumer connect.

Risk factor

- A major share of the company's revenue comes from supplying Turnkey Solar Pumping Systems under the PM-KUSUM scheme, contributing ₹773.21 crore (78.5% of operational revenue) in the 9M FY25. However, future revenue is uncertain as it depends on government continuity and contract awards.
- The business is highly reliant on the agricultural sector, contributing over 96% of operational revenue in 9M FY25. Any negative shift in agricultural performance may impact financials significantly.
- Revenues are regionally concentrated, with key contributions from Haryana, Maharashtra, Uttar Pradesh, and Rajasthan. Disruptions in these states could adversely affect operations.
- The company relies heavily on its top 10 customers, who contributed ~79% of revenue in 9M FY25. Loss of any key customer may materially impact financial health.
- Planned capacity expansion in solar modules may strain finances if it doesn't result in proportional revenue growth.

Peer Comparison

Co_Name	Total Income	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Kirl. Brothers	4492.20	415.20	52.99	34.89	7.01	263.56	2	1848.60	14679.53
KSB	2533.10	247.50	14.62	58.74	10.06	85.35	2	858.85	14947.36
WPIL	1806.89	132.02	13.48	31.10	2.98	140.46	1	419.20	4094.36
Roto Pumps	297.94	33.36	5.31	52.97	8.00	35.15	1	281.25	1766.68
Shakti Pumps	2516.24	408.37	33.97	28.73	10.10	96.59	10	975.85	11730.75
Oswal Pumps Limited	1420.89	287.73	28.92	24.32	5.15	119.31	1	614.00	6998.21

***Peer companies financials are TTM based**
*****Oswal Pumps Limited is based on Estimated Annualised FY25**

Valuation

Considering the P/E valuation, on the upper end of the price band of Rs.614, the stock is priced at pre issue P/E of 21.23 x on Estimated Annualised FY25 EPS of Rs.28.92. Post issue, the stock is priced at a P/E of 24.32x on its EPS of Rs. 25.24. Looking at the P/B ratio at Rs. 614 pre issue, book value of Rs. 47.23 of P/Bvx 13x. Post issue, book value of Rs.119.31 of P/Bvx 5.15x.

Considering the P/E valuation, on the lower end of the price band of Rs.584, the stock is priced at pre issue P/E of 20.19 x on Estimated Annualised FY25 EPS of Rs. 28.92. Post issue, the stock is priced at a P/E of 23.13x on its EPS of Rs. 25.24. Looking at the P/B ratio at Rs. 584 pre issue, book value of Rs. 47.23 of P/Bvx 12.37x. Post issue, book value of Rs.119.31 of P/Bvx 4.89x.

Industry Outlook

India's pump market stood at ₹380.5 billion in FY2025 and is projected to grow at a CAGR of 9.2% to ₹591.9 billion by FY2030. Within this, the agricultural pump segment is expected to grow at 8.4% CAGR. The solar pump market, valued at ₹164.5 billion in FY2025, is forecast to reach ₹271.1 billion by FY2030, growing at 11.0% CAGR. The company operates in a competitive landscape with both domestic and global players across monoblock and submersible pumps, electric motors, and solar modules. Key competitive factors include technology, pricing, design, quality, delivery, and engineering capabilities. (Source: 1Lattice Report).

Outlook

Oswal Pumps Limited is well-positioned for growth, driven by its leadership in solar-powered agricultural pumps under the PM-KUSUM scheme and its vertically integrated manufacturing capabilities. With a strong revenue CAGR of 45% and robust in-house engineering, the company is expanding into industrial pumps, electric motors, and solar module exports. Strategic backward integration, automation, and nationwide distributor growth support operational resilience. However, its dependence on the PM-KUSUM scheme, agriculture-linked revenues, and a concentrated customer base pose key risks. Continued government support, successful diversification, and prudent execution of capacity expansion will be crucial. Overall, Oswal Pumps is poised for sustainable growth but must navigate policy and sectoral dependencies carefully to maintain momentum.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
BID/ISSUE OPENS ON	13-June-25
BID/ISSUE CLOSES ON	17-June-25
Finalisation of Basis of Allotment with the Designated Stock Exchange	18-June-25
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	18-June-25
Credit of Equity Shares to Demat Accounts of Allottees	19-June-25
Commencement of trading of the Equity Shares on the Stock Exchanges	20-June-25

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 31-Dec-24 (9 Months)	Period ended 31-Mar-24 (12 Months)	Period ended 31-Mar-23 (12 Months)
Revenue from operations	1065.67	758.57	385.04
Total expenditure	744.66	608.45	327.22
Operating Profit	**321.01**	**150.12**	**57.82**
OPM%	30.12	19.79	15.02
Other Income	1.67	2.66	2.44
Total Net Income	**322.68**	**152.79**	**60.26**
Interest	28.76	14.31	5.90
PBDT	**293.92**	**138.47**	**54.35**
Depreciation	8.41	8.60	7.75
PBT	**285.52**	**129.88**	**46.60**
Tax	69.72	32.21	12.40
Profit & Loss	**215.80**	**97.67**	**34.20**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 31-Dec-24	As on 31-Mar-24	As on 31-Mar-23
Non-current assets			
Property, plant and equipment	117.20	93.98	77.65
Capital work-in-progress	6.47	0.63	3.16
Right of use assets	5.45	3.36	3.25
Other intangible assets	0.24	0.10	0.04
Intangible assets under development	0.20	0.00	0.00
Financial Assets			
Investments	3.99	0.00	0.00
Other financial assets	8.94	5.63	4.93
Deferred Tax Assets (Net)	5.13	2.15	0.23
Other non-current assets	6.66	7.64	7.23
Total non-current assets	**154.28**	**113.49**	**96.50**
Current asset			
Inventories	167.09	122.19	67.90
Financial Assets			
Trade receivables	711.12	239.90	72.94
Cash and cash equivalents	1.02	0.42	3.60
Bank balances other than (ii) above	6.31	3.16	4.22
Other financial assets	0.61	0.75	0.47
Other current assets	55.58	31.38	6.68
Total current assets	**941.73**	**397.79**	**155.80**
Total Assets	**1096.01**	**511.28**	**252.30**
Non-current liabilities			
Financial liabilities			
Borrowings	11.87	7.23	5.77
Lease liabilities	4.86	2.73	2.55
Other financial liabilities	0.40	0.49	0.38
Provisions	16.41	14.19	12.83
Deferred tax liability	0.65	0.00	0.00
Other non-current liabilities	1.66	0.80	0.00
Total Non- Financial liabilities	**35.86**	**25.44**	**21.51**
Current liabilities			
Financial Liabilities			
Borrowings	334.44	68.19	53.52
Lease liabilities	0.49	0.34	0.29
Trade payables- Total outstanding dues of micro and small enterprises	22.57	19.38	0.21
Trade payables-Total outstanding dues of creditors other than micro and small enterprises	56.06	44.99	59.50
Other financial liabilities	190.16	148.81	10.31
Other current liabilities	19.69	7.61	10.85
Provisions	6.21	5.24	3.87
Current Tax Liabilities (Net)	32.64	12.00	13.18
Total - Current Liabilities	**662.25**	**306.57**	**151.72**
Total Liabilities	**698.11**	**332.01**	**173.23**
Net worth represented by:			
Equity share capital	9.95	5.85	5.85
Other equity	387.96	173.42	73.22
Net Worth	**397.90**	**179.27**	**79.07**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★
EXCELLENT	★★★★★

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