

## Company Business

Oswal Pumps Limited is a prominent Indian manufacturer specializing in a wide range of pumping and water management solutions. The company's diversified product portfolio includes:

- ✦ Submersible Pumps
- ✦ Monoblock Pumps
- ✦ Jet Pumps
- ✦ Sewage and Drainage Pumps
- ✦ Electric Motors
- ✦ Pipes and Fittings
- ✦ Cables and Wires
- ✦ Solar Water Heating Systems
- ✦ Turnkey Solar Pumping Systems

These products cater to domestic, agricultural, and industrial applications, supported by in-house vertically integrated manufacturing units in Hisar and Karnal, Haryana.

A significant growth avenue for the company has been its participation in the Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan (PM-KUSUM Yojana). Under this scheme, Oswal Pumps has been empanelled by various state governments to supply and install solar-powered pumping systems aimed at reducing dependence on grid power and diesel-based irrigation. This initiative not only contributes to sustainable rural development but also represents a major source of revenue for the company's solar division.

### Dependency on PM-KUSUM Yojana and Its Potential Impact

While Oswal Pumps has a diversified product base, a material portion of its solar pumping system revenues is linked to the continued implementation and funding of the PM-KUSUM Yojana. In the event that the scheme is curtailed, delayed, or discontinued post-2026, the following implications may arise:

- ✦ **Reduced Order Flow** : A decline in government-sponsored solar pump installations could lead to reduced order inflows, particularly in rural and semi-urban regions.
- ✦ **Capacity Underutilization** : Oswal's dedicated solar manufacturing capacity may face underutilization, impacting overall operating efficiency.
- ✦ **Revenue Moderation** : Given the scale of the KUSUM-linked business, discontinuation may lead to a moderate decline in topline growth from the solar segment.
- ✦ **Mitigation Strategy** : However, the company's established position in the traditional pump and motor market—along with its pan-India distribution network—acts as a hedge, allowing Oswal to fall back on non-subsidy-driven segments such as industrial and private agricultural demand.

The tables below set forth revenues from the supply of solar pumps directly and indirectly for the PM Kusum Scheme for the period/ years indicated:

Particulars	Nine-months period ended December 31, 2024	FY 2023-24	FY 2022-23	FY 2021-22
Revenue for PM Kusum Scheme	87.26%	85.72%	69.74%	55.32%
Revenue other than PM Kusum Scheme	12.74%	14.28%	30.26%	44.68%

## IPO Details

### Oswal Pumps IPO Snapshot

- **Total Issue Size** : ₹890 Cr (Fresh) + 8.1 Mn shares (OFS by Vivek Gupta)
- **Price Band** : ₹584-₹614
- **IPO Dates** : June 13-17, 2025
- **Listing Date** : June 20, 2025 (NSE, BSE)
- **Pre-IPO Promoter Holding** : 99.88%
- **Post-IPO Promoter Holding** : 80%

## Objects of the issue

- ✦ Funding certain capital expenditure of the Company : **Rs. 89.86 Cr.**
- ✦ Investment in wholly-owned Subsidiary, Oswal Solar, in the form of equity, for funding the setting up of new manufacturing units at Karnal, Haryana : **Rs. 272.75 Cr.**
- ✦ Pre-payment/ re-payment, in part or full, of certain outstanding borrowings availed by the Company : **Rs.280 Cr.**
- ✦ Investment in 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 : **Rs. 31 Cr.**
- ✦ General corporate purposes



## Financials of the company

(Fig. in Cr)

Particulars	Dec 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations	1,065.67	758.57	385.03	360.38
Gross Profit	483.54	255.60	118.19	106.18
Gross Profit Margins	45.38%	33.70%	30.70%	29.46%
EBITDA	321.01	150.12	57.81	38.52
EBITDA Margins	30.12%	19.79%	15.02%	10.69%
PAT	216.70	97.66	34.19	16.92
PAT Margins	20.30%	12.83%	8.83%	4.69%
D/E Ratio	0.87	0.42	0.70	1.83
ROCE	65.96%	81.85%	45.47%	27.01%
CFOA	-197.44	16.92	49.92	64.91

## Comparison with Peers

Companies	Revenue	EBITDA Margin	PAT Margin	D/E Ratio	MCap	P/E
Oswal Pumps (FY 2024)	758.57 Cr.	19.79%	12.83%	0.42	6,998 Cr.	71.65*
Kirloskar Brothers (FY 2025)	4,492 Cr.	14%	9.32%	0.09	14,563 Cr.	34.60
Shakti Pumps (India) (FY 2025)	2,516 Cr.	24%	16.21%	0.14	11,841 Cr.	29
WPIL (FY 2025)	1,807 Cr.	16%	7.02%	0.34	4,117 Cr.	32.60
KSB (FY 2025)	2,584 Cr.	13%	9.82%	0.00	15,065 Cr.	59.20
Roto Pumps (FY 2025)	298 Cr.	21%	11.40%	0.20	1,779 Cr.	53.30

\*Forward PE is 24.22 on the basis of FY 25 PAT.



## Pros and Cons

### Pros

- ✦ **Established Brand in Pumps and Motors** : Oswal has a long-standing presence in the Indian pump manufacturing industry, serving both domestic and agricultural sectors.
- ✦ **Diverse Product Portfolio** : The company manufactures a wide range of products including submersible pumps, motors, solar water systems, and fittings—reducing dependency on any single product line.
- ✦ **Backward-Integrated Manufacturing** : Oswal owns in-house production capabilities for key components, enabling cost control and quality assurance.
- ✦ **Capacity Expansion Plans** : Proceeds from the IPO will be used to set up a new manufacturing facility, which may enhance revenues and operating margins in the medium term.
- ✦ **Strong Distribution Network** : A pan-India dealer/distributor presence supports stable sales across varied geographies.

### Cons

- ✦ **High Dependency on Government Subsidies** : A significant portion of Oswal's solar pump revenues are tied to PM-KUSUM. If the scheme is scaled down or discontinued, earnings could be impacted.
- ✦ **Working Capital Intensive Business** : The business requires heavy investment in receivables and inventory, which can strain liquidity, especially in low-growth periods.
- ✦ **Competitive Industry** : The pumps and motors segment faces intense competition from both organized (e.g., Kirloskar, Shakti Pumps) and unorganized players, leading to pricing pressure.
- ✦ **Promoter Selling Stake via OFS** : The presence of an Offer for Sale (8.1 million shares by Vivek Gupta) suggests partial promoter exit, which might raise concerns for conservative investors.
- ✦ Working capital cycle days are increasing.

## Summary for Investors

Oswal Pumps is a fundamentally sound business with exposure to core sectors like agriculture, water, and solar. **However, investors must weigh the dependency on government subsidies** and the PM Kusum scheme.





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