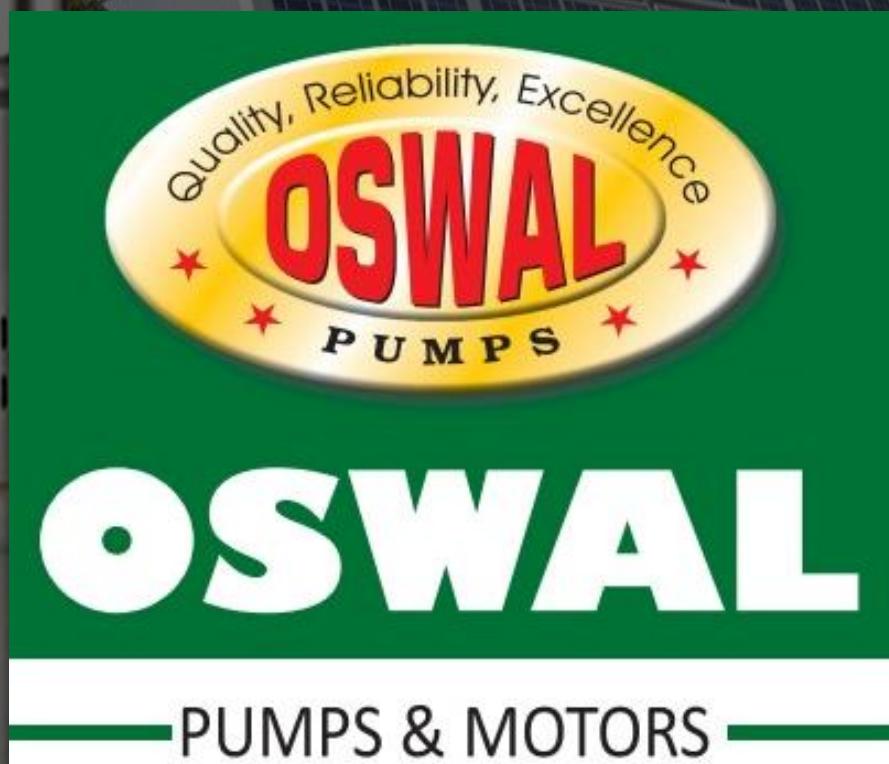




25th November 2025



SNM VALUE EDUCATOR RESEARCH
SERVICES LLP:
Emerging Titans

RA No: INH000019789





Oswal Pumps Ltd

BUY

Driving Flow, Powering Growth

Oswal Pumps Ltd., one of India's leading manufacturers of submersible pumps, monoblock pumps, and motors, continues to strengthen its position in both agricultural and domestic markets. The company's integrated operations, spanning design, manufacturing, and testing, have helped it build a reputation for quality and reliability over the last three decades. With a strong distribution network of over 3,000 dealers and 200 distributors, Oswal enjoys a pan-India footprint complemented by growing export reach across Africa, the Middle East, and Southeast Asia.

In Q2 FY26, Oswal delivered another quarter of healthy performance, reporting ~₹119 Cr in revenue and ~₹11 Cr in PAT, supported by a strong product mix and steady rural demand recovery. The company is now focused on scaling its industrial and solar pump segments, which are expected to drive the next phase of growth. With expanding manufacturing capacity, a deep rural brand presence, and improving product diversification, Oswal Pumps is well positioned to benefit from India's accelerating agricultural mechanization and infrastructure push.

INVESTMENT RATIONALE

1. Strong Brand Recall in the Agricultural Segment

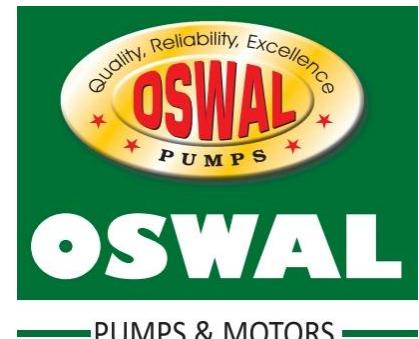
Oswal has built enduring customer trust through its extensive presence in the agricultural and rural markets, supported by 3,000+ channel partners. Its focus on submersible and monoblock pumps, where efficiency and reliability are critical, ensures recurring demand from the farm and irrigation segments.

2. Expanding Product Portfolio Across Applications

The company offers over 1,200 product variants, covering agriculture, domestic water supply, solar, and industrial applications. Continuous R&D has enabled product launches in energy-efficient and solar-powered pumps, allowing Oswal to tap emerging opportunities in green energy and smart water management.

3. Focused Expansion in Solar & Industrial Segments

Oswal is actively scaling its solar and industrial pump business to reduce dependence on agricultural seasonality. The solar segment, supported by government schemes like PM-KUSUM, is expected to see rapid adoption. The industrial vertical offers higher margins and longer replacement cycles, supporting profitability.



| | |
|---------------------|------------|
| Recommendation | BUY |
| Allocation | 3% |
| CMP (at initiation) | ₹575 |
| Market Cap (₹ Cr) | 6,453 |
| 52 Week High/Low | ₹889 / 565 |
| NSE code | OSWALPUMPS |

Shareholding pattern

| | |
|----------|--------|
| Promoter | 75.67% |
| FII+DII | 13.54% |
| Others | 10.79% |

Financial Summary

| (₹ Cr) | FY23 | FY24 | FY25 |
|------------|------|-------|-------|
| Revenues | 385 | 759 | 1430 |
| EBITDA (%) | 15% | 19.8% | 29.4% |
| PAT | 34 | 98 | 281 |
| ROCE (%) | 38% | 74% | 78% |



COMPANY OVERVIEW

Founded in 2000, Oswal Pumps Ltd. has evolved into one of India's leading integrated manufacturers of submersible pumps, monoblock pumps, motors, and related accessories. Headquartered in Faridabad, Haryana, the company operates a fully integrated manufacturing facility equipped with automated assembly lines, CNC machining centers, and precision testing infrastructure. This backward-integrated setup allows Oswal to produce key components in-house such as stators, rotors, and pump bodies ensuring superior quality control and cost efficiency.



Oswal's brand is synonymous with reliability in India's agriculture and water management ecosystem, catering to farmers, industries, and households alike. The company serves a wide distribution network spanning 3,000+ dealers, 200+ distributors, and regional service centers across the country. Internationally, Oswal has established a presence in over 25 countries across Africa, the Middle East, and Southeast Asia, marking its growing focus on exports.

| Number of Distributors | | | | |
|------------------------|------------|------------|--------------|--------------|
| Geography | FY23 | FY24 | FY25 | Q1 FY26 |
| Central | 138 | 148 | 262 | 289 |
| East | 81 | 96 | 115 | 120 |
| North | 245 | 271 | 497 | 564 |
| South | 22 | 23 | 29 | 33 |
| West | 88 | 98 | 147 | 160 |
| Total | 574 | 636 | 1,050 | 1,166 |



Business Segments

Solar Submersible Pumps



Solar Submersible Pumps



Solar Submersible Pumps



Solar Submersible Pumps



Non-Solar Submersible Pumps



Non-Solar Monoblock Pumps



Electric Motors



Others



1. Agricultural Pumps

This remains Oswal's largest business vertical, accounting for a major share of its revenues. The company's extensive portfolio includes borewell and openwell submersible pumps, which are widely used in irrigation, rural water supply, and small-scale farming applications. Supported by rural electrification and government irrigation schemes, demand for agricultural pumps continues to be resilient.

2. Domestic & Industrial Pumps

Oswal manufactures a variety of monoblock and centrifugal pumps catering to household, commercial, and industrial applications. The company has strengthened its presence in HVAC, construction, and building management systems, supported by expanding infrastructure and industrial investments. These pumps provide stable revenue throughout the year, reducing dependence on seasonal farm demand.



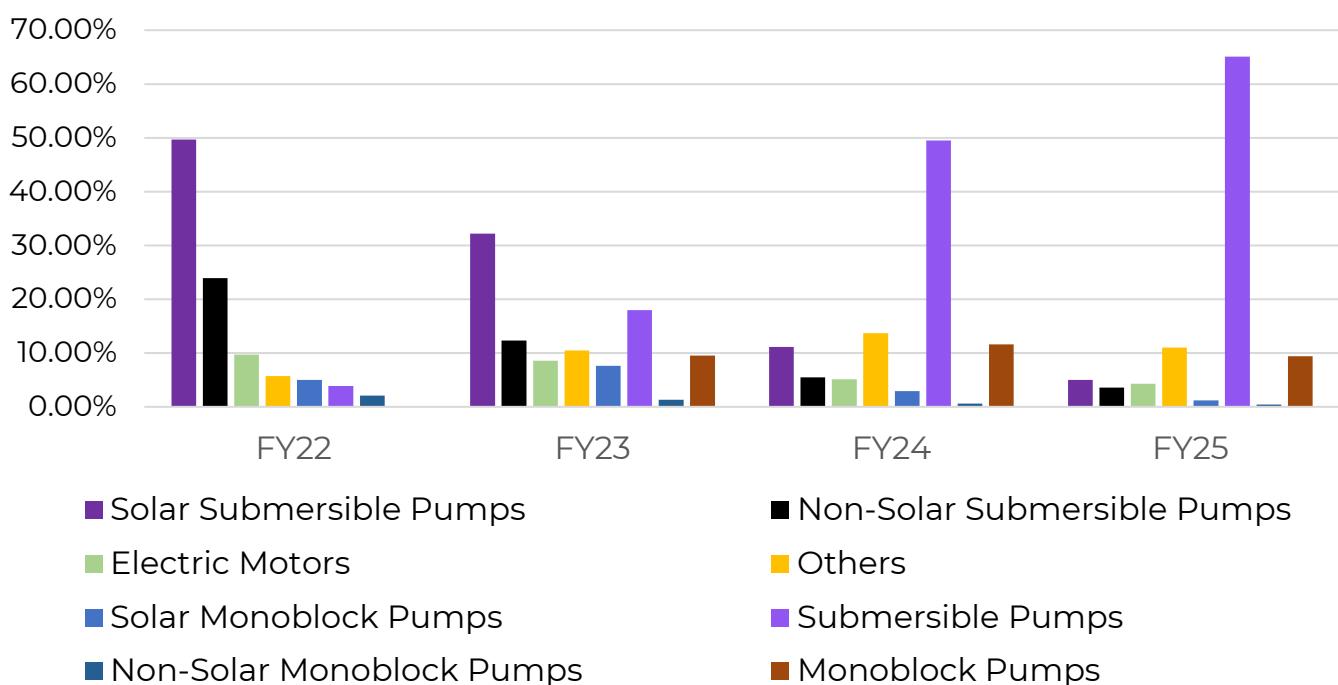
3. Solar Pumps

The solar pump segment is a key growth driver, backed by favorable policies such as the PM-KUSUM scheme, which aims to promote clean energy adoption in agriculture. Oswal's range of DC and AC solar pumps, available in both submersible and surface configurations, is gaining traction in water-scarce regions and among state-run solar irrigation projects. This segment also offers attractive margins and long-term sustainability potential.

4. Exports & OEM Partnerships

Oswal is actively scaling its export business, focusing on Africa and the Middle East, where water management and irrigation solutions are in high demand. The company also supplies to select OEMs and industrial clients, providing customized pump systems for diverse applications. Export revenue, though currently modest, is expected to grow steadily as brand visibility and distributor partnerships strengthen.

Segment Wise Revenue-Mix





Capacity Expansion

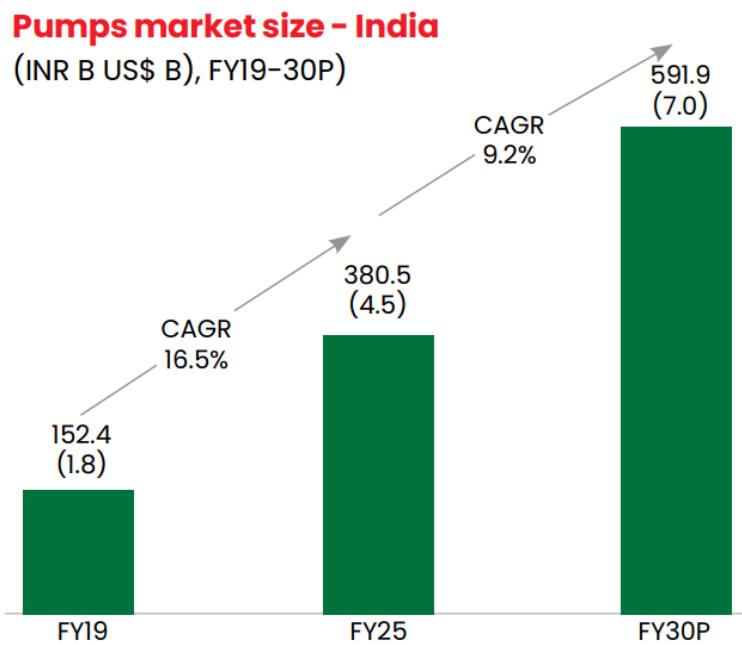
Oswal Pumps is actively upgrading its manufacturing infrastructure to support higher production volumes and broaden its product range. The company currently operates an integrated facility at Faridabad (Haryana), equipped with CNC machining centers, automated assembly lines, and in-house testing systems that ensure end-to-end quality control. As part of its modernization program, Oswal has been enhancing its motor winding and casting capabilities, allowing greater control over critical components such as stators and rotors key elements determining pump performance and efficiency.

In FY25–FY26, the company initiated a capacity expansion plan focused on increasing production of solar and industrial pumps, segments expected to witness rapid demand growth. This includes augmenting production lines, introducing higher-horsepower variants, and optimizing energy-efficient motor designs. The capex program is being funded primarily through internal accruals, ensuring that balance sheet strength remains intact.

Future Outlook

1. Solar Pump Opportunity

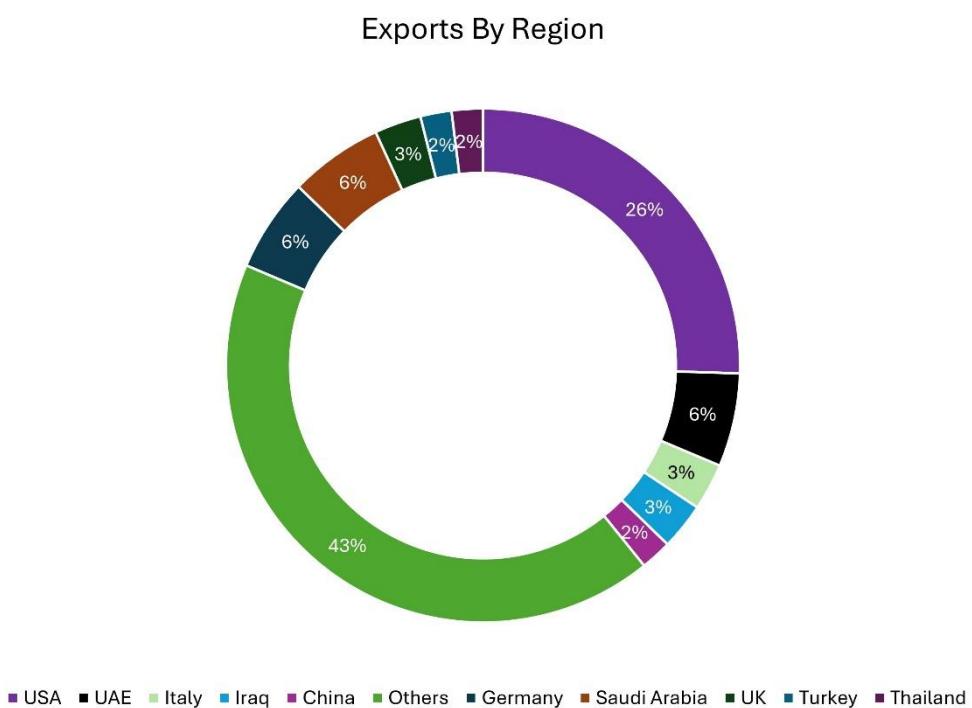
The PM-KUSUM scheme continues to be a major catalyst, targeting the installation of over 3 million solar pumps nationwide. With its strong brand recognition and expanding dealer network, Oswal is well-positioned to capture a meaningful share of this market. The company's DC and AC solar submersible pumps are being tailored to meet varied climatic and groundwater conditions, offering efficiency gains of up to 20–25% over conventional systems.



Note(s): US\$ 1 = INR 84.56
Source(s): Lattice analysis

2. Export Market Expansion

Oswal is strategically increasing its presence in Africa, the Middle East, and Southeast Asia, where government-led irrigation and water infrastructure programs are accelerating demand for reliable pumping systems. The company is deepening distribution partnerships in key geographies and exploring collaborations with international development agencies and EPCs. Export revenues, though currently a small share, are expected to grow meaningfully over the next 2–3 years.



3. Technological Innovation & Energy Efficiency

R&D remains a cornerstone of Oswal's competitiveness. The company has invested in advanced design software and automated testing setups to develop energy-efficient and corrosion-resistant pumps for specialized environments. These innovations enhance lifecycle performance, reduce maintenance costs, and align with global sustainability goals.

4. Diversified Demand Drivers

Beyond agriculture, Oswal is steadily entering higher-margin applications such as construction, industrial water management, HVAC, and pressure boosting systems. The rising demand for water infrastructure in urban and semi-urban India offers a multi-decade growth opportunity, helping the company achieve a balanced revenue mix between rural and industrial markets.

With a healthy Q2 FY26 performance and a steady order pipeline, Oswal Pumps is positioned for sustainable growth over the medium term. The company aims to enhance both volume growth and value realization through product diversification and expansion into new geographies. The ongoing capacity upgrades, focus on solar and industrial segments, and increasing export participation will likely lead to margin improvement and revenue stability, even amid seasonal fluctuations in agriculture.

Oswal's strong distribution network, integrated manufacturing model, and prudent financial discipline continue to be key strengths. As water management and clean energy adoption gain national focus, Oswal is well-placed to emerge as a formidable player in the organized pump segment, balancing domestic leadership with international expansion.



INDUSTRY OVERVIEW

India's pump industry is poised for robust growth, supported by strong policy initiatives, rising infrastructure investment, and expanding water management needs. Valued at approximately ₹20,000 crore, the domestic pump market is projected to grow at a CAGR of 7–8% over the next five years. The growth is driven by increasing mechanization in agriculture, large-scale irrigation projects, and the rising adoption of solar-powered and energy-efficient pumping systems.

Key Growth Drivers

- 1. Agricultural Mechanization:** Nearly 60% of India's pump demand originates from agriculture. With increasing electrification of rural areas and mechanization of irrigation, demand for submersible and monoblock pumps remains structurally strong.
- 2. Government Initiatives:** Schemes like PM-KUSUM, Jal Jeevan Mission, and Atal Bhujal Yojana are driving installation of solar, water supply, and groundwater recharge systems, creating sustained demand for both electric and solar pumps.
- 3. Infrastructure & Industrial Applications:** Rapid urbanization, growth in construction, and industrial water usage are expanding the need for high-efficiency monoblock and centrifugal pumps. Demand is particularly strong from HVAC, real estate, and manufacturing sectors.
- 4. Export Opportunities:** Developing markets in Africa, the Middle East, and Southeast Asia are increasingly adopting Indian-made pumps, given their competitive cost and reliability. Government export incentives and FTAs further support this trend.



Key Risks

- 1. Working Capital Intensity:** As a manufacturer supplying to both retail distributors and institutional clients, Oswal faces high working capital requirements. Extended credit periods in rural markets and dealer-level inventory buildup can strain liquidity during slower sales quarters.
- 2. Seasonality in Agricultural Demand:** The agricultural pump segment remains sensitive to monsoon variability and crop cycles. Unfavorable rainfall or delayed government subsidies can affect seasonal volumes, although growing industrial and solar sales help offset volatility.
- 3. Commodity Price Volatility:** Raw materials such as copper, stainless steel, and electrical components constitute a large share of production costs. Sudden price fluctuations or supply disruptions can compress margins, particularly in fixed-price contracts.
- 4. Competitive Intensity:** The domestic pump industry is highly fragmented, with strong regional and unorganized players offering low-cost alternatives. Sustained investments in brand visibility, R&D, and distribution efficiency are essential for Oswal to defend market share.
- 5. Policy and Subsidy Dependence:** A portion of Oswal's demand, especially in the solar segment, is linked to government subsidy programs. Delays in policy implementation or subsidy disbursements can impact short-term sales cycles and working capital.



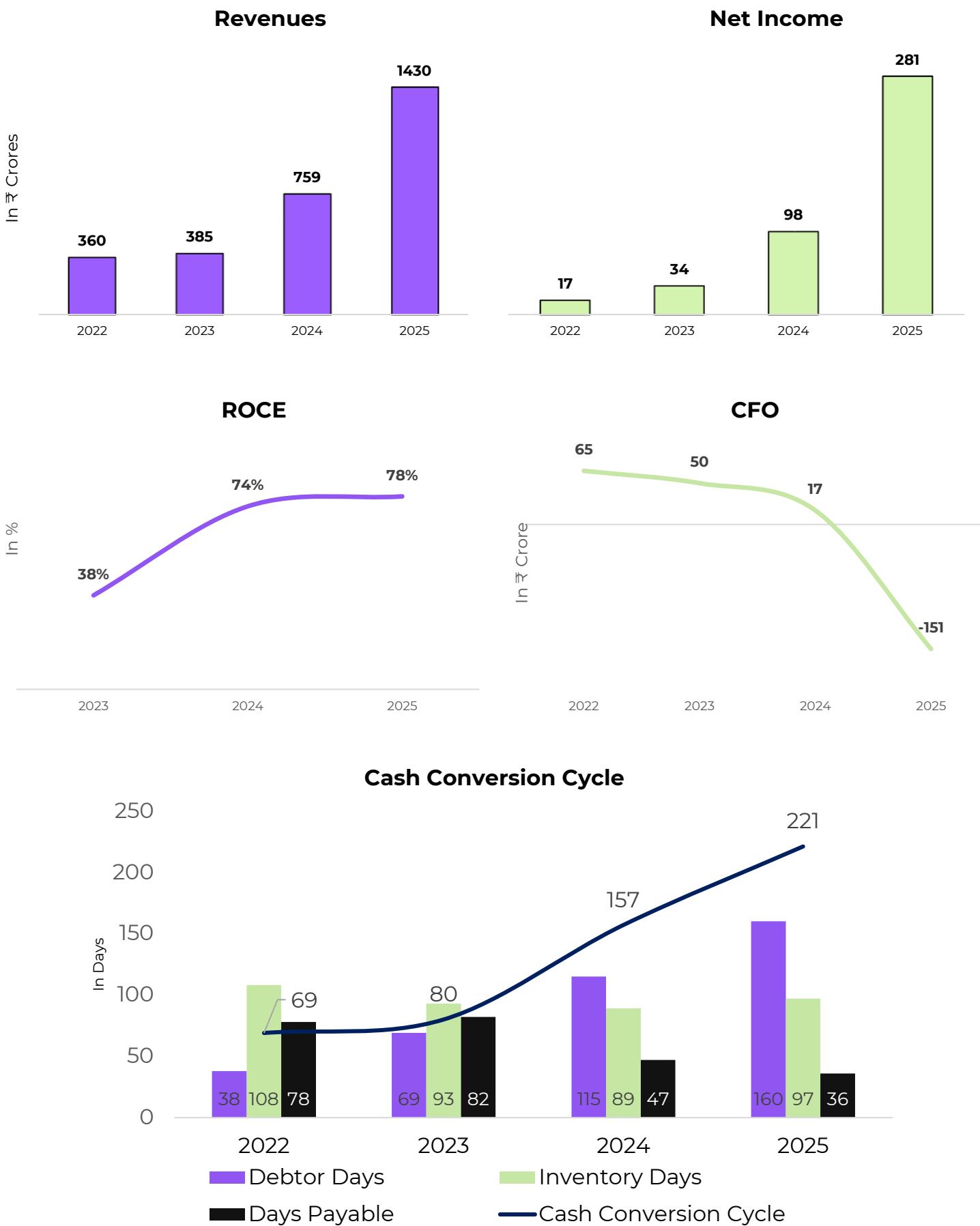
Financials

Profit & Loss Statement (In Cr)

| | 2022 | 2023 | 2024 | 2025 |
|-------------------|-------|-------|--------|-------|
| Sales | 360 | 385 | 759 | 1430 |
| Sales Growth % | | 7% | 97% | 89% |
| Expenses | 322 | 327 | 606 | 1010 |
| Operating Profit | 39 | 58 | 153 | 420 |
| OPM % | 11% | 15% | 20% | 29% |
| Other Income | 1 | 2 | 0 | 2 |
| Interest | 8 | 6 | 14 | 42 |
| Depreciation | 7 | 8 | 9 | 13 |
| Profit before tax | 24 | 47 | 130 | 368 |
| Tax % | 29% | 27% | 25% | 24% |
| Net Profit + | 17 | 34 | 98 | 281 |
| EPS in Rs | 28.93 | 58.44 | 166.90 | 28.21 |

Balance Sheet (In Cr)

| | 2022 | 2023 | 2024 | 2025 |
|-------------------|------|------|------|------|
| Equity Capital | 6 | 6 | 6 | 10 |
| Reserves | 38 | 73 | 173 | 452 |
| Borrowings | 90 | 62 | 78 | 332 |
| Other Liabilities | 88 | 111 | 254 | 276 |
| Total Liabilities | 222 | 252 | 511 | 1070 |
| Fixed Assets | 71 | 81 | 97 | 134 |
| CWIP | 0 | 3 | 1 | 0 |
| Investments | 4 | 0 | 0 | 5 |
| Other Assets | 147 | 168 | 413 | 931 |
| Total Assets | 222 | 252 | 511 | 1070 |

**Financials**



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