

Rating: Subscribe

Issue Offer

Fresh Issue of equity shares amounting to INR 8,900 Mn, and Offer for sale of equity shares amounting to INR 4,973.4 Mn aggregating up to total of INR 13,873.4 Mn.

Issue Summary

Price Band INR	584-614
Face Value INR	1
Implied Market Cap INR Mn.	69,982
Market Lot	24
Issue Opens on	Jun 13, 2025
Issue Close on	Jun 17, 2025
No. of share pre-issue	9,94,82,300
No. of share post issue	11,39,77,414
Listing	NSE, BSE

Issue Break-up %

QIB Portion	≤ 50
Retail Portion	≥ 35
NII Portion	≥ 15

Registrar

MUFG Intime India Private Limited

Book Running Lead Managers

IIFL Capital Services Limited
Axis Capital Limited
Csla India Private Limited
Jm Financial Limited
Nuvama Wealth Management Limited

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	90.04%	66.43%
Public & Others	9.96%	33.57%

Objects of the issue

- Funding certain capital expenditure of the Company
- Investment in wholly-owned subsidiary Oswal Solar for setting up new manufacturing units and repaying existing borrowings
- Pre-payment/ re-payment, in part or full, of certain outstanding borrowings
- General Corporate Purposes.

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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

Investment Rationale:

Strong Market Position and High Growth Potential in the Solar Pump Industry: The company has rapidly emerged as one of the largest and fastest-growing suppliers of solar powered agricultural pumps under the PM Kusum Scheme, with a robust CAGR of 45.07% between FY 2022 and 2024. Its early diversification, vertically integrated operations, and ability to offer both standalone and turnkey systems have positioned it well to capitalize on the growing domestic and global demand for solar pumps.

Diversified Product Portfolio Enabling Broad Market Reach: The company's extensive range of solar-powered and grid-connected pumps, electric motors, and solar modules caters to varied customer needs across agricultural, residential, and industrial sectors. By offering multiple product specifications tailored to different capacities and technical requirements, it enhances customer satisfaction and market penetration. This diversified portfolio not only strengthens brand loyalty and recall but also reduces dependency on any single product line, ensuring business stability and growth opportunities across domestic and international markets.

Strong Distribution Network Driving Market Penetration and Brand Visibility: The company's widespread and growing distributor base across multiple geographies enables it to effectively reach a diversified customer segment, including retail, institutional, and government buyers. Its strategic initiatives like the 'Oswal Shoppe' concept enhance brand presence and strengthen retailer relationships. Additionally, long-standing distributor partnerships and a focus on quality and after-sales support contribute to customer loyalty and sustained market expansion, both domestically and internationally.

Valuation and View:

Oswal Pump Ltd demonstrates solid fundamentals with a strong foothold in the solar agricultural pump segment, underpinned by consistent revenue growth and vertical integration. Its diversified product mix and expanding distribution network reduce market concentration risks and support scale. While the shift towards direct participation in government schemes may impact distributor-led revenues, it aligns with a strategy to capture higher-margin opportunities. Continued policy support for renewable energy and pump replacement demand provides a favorable long-term industry outlook, positioning the company for steady growth. **At the upper price band of INR 614, the issue has a P/E ratio of 24.22x, based on annualised 9MFY25 EPS of INR 25.4. We assign a "Subscribe for Long Term" rating for this issue.**

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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