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# Oswal Pumps Ltd.



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**Sub: Transcript of the Earnings Conference Call for Q3 FY 2026 held on February 09, 2026**

Dear Sir/ Madam,

Please find enclosed the transcript of Earnings Conference Call conducted by the Company for Q3 FY 2026 on Monday, February 09, 2026.

This is for your information and records.

Thanking you,

Yours faithfully

For **Oswal Pumps Limited**

Anish Kumar  
Company Secretary and Compliance Officer

Encl: As above



Manufacturer & Exporter of :

Submersible Pumps

Centrifugal Pumps

Solar Water Pumps

Electric Motors

Submersible Cable



**“Oswal Pumps Limited  
Q3 FY '26 Earnings Conference Call”  
February 09, 2026**



**MANAGEMENT:** **MR. VIVEK GUPTA – CHAIRMAN AND MANAGING DIRECTOR – OSWAL PUMPS LIMITED**  
**MR. SHIVAM GUPTA – WHOLE-TIME DIRECTOR – OSWAL PUMPS LIMITED**  
**MR. SUBODH KUMAR – CHIEF FINANCIAL OFFICER – OSWAL PUMPS LIMITED**  
**MR. SANJEEV SANCHETI – INVESTOR RELATION ADVISOR - UIRTUS ADVISORS LLP**

**MODERATOR:** **MS. RENU BAID – IIFL CAPITAL SERVICES LIMITED**



**Moderator:** Ladies and gentlemen, good day and welcome to the Oswal Pumps 3Q FY '26 earnings call hosted by IIFL Capital Services Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this call is being recorded.

I now hand the conference over to Ms. Renu Baid from IIFL Capital Services Limited. Thank you and over to you.

**Renu Baid:** Thank you. A very good afternoon everyone. On behalf of IIFL Capital, I would like to welcome the management of Oswal Pumps for discussing the third quarter FY '26 earnings call. Today from the management team, we have with us Mr. Vivek Gupta, Chairman and Managing Director; Mr. Shivam Gupta, Whole-time Director; Mr. Subodh Kumar, Chief Financial Officer; and Mr. Sanjeev Sancheti, Investor Advisor for Oswal Pumps.

Without taking much time, I now hand the session to Mr. Vivek Gupta for his opening comments. Thank you and over to you, sir.

**Sanjeev Sancheti:** Yes, hi, Sanjeev here. Thank you and good afternoon everyone. It is my pleasure to welcome you to the Oswal Pumps Q3 FY '26 earnings call. Joining me today on the call are the members of the senior management team of Oswal Pumps: Mr. Vivek Gupta, Chairman and Managing Director; Mr. Subodh Kumar, Chief Financial Officer; and Mr. Shivam Gupta, Whole-time Director.

Before we begin, I would like to draw your attention to the Safe Harbor statement included in the earnings presentation, which contains forward-looking statements and is also available on BSE and NSE websites.

With that, I will now hand over the call to Mr. Vivek Gupta for his opening remarks. Over to you, Mr. Vivek Ji.

**Vivek Gupta:** Thank you, Sanjeev ji, and good afternoon everyone. On behalf of Oswal Pumps Limited, I warmly welcome all of you to our Q3 FY '26 earnings call. Thank you for taking the time to join us today. The third quarter of FY '26 marked another period of strong operational execution and improvement in profitability, despite a competitive pricing environment across government-led solar pumping programs.

During the quarter, the company reported a total income of INR507.7 crores, delivering a strong year-on-year growth of 33.4%. Operating revenue for the quarter stood at INR501.1 crores, reflecting a healthy year-on-year growth of 31.9%.

For the nine-month period ended December '25, total income stood at INR1,569.2 crores, representing a robust year-on-year growth of 47.0%. Operating revenue for the nine-month period came in at INR1,554.7 crores, growing by 45.9% year-on-year.



This growth was primarily driven by consistent execution under the PM KUSUM scheme, continued traction under state-specific programs such as Magel Tyala, and our ability to scale efficiently across multiple states.

Operating EBITDA for Q3 FY '26 stood at INR127.1 crores, translating into an operating EBITDA margin of 25.4%, representing a sequential improvement of 164 basis points. For the nine-month period, operating EBITDA was INR395.8 crores with margins of 25.5%. While competitive tender pricing continued to exert pressure on margins, particularly in government-led solar pumping programs, we are encouraged by quarter-on-quarter margin expansion driven by value engineering initiatives, cost optimization measures and early benefits from further backward integration.

Operationally, we continue to strengthen our leadership position in the solar pumping ecosystem. As of January 31, 2026, we have executed over 90,000 solar pumping systems under various government programs. Our current order book stands at over 24,500 pumps, comprising direct PM KUSUM, Magel Tyala, indirect PM KUSUM, and export orders. Additionally, we have a strong near-term pipeline exceeding 25,000 pumps, providing healthy revenue visibility for the coming quarters.

On the IPO objects front, I would like to share a brief update on our capital expenditure plans. Pump and motor plant - capacity expansion and automation: we expect to complete the bulk of ordering towards capacity expansion and automation of our pump and motor facility by Q4 FY '26, with the entire capex program scheduled for completion by Q2 FY '27.

Solar module plant - capacity expansion and backward integration: with respect to our solar module facility, we expect the first phase of expansion comprising 1 GW of solar capacity to be completed by Q1 FY '27. The remaining 0.5 GW expansion is planned to be completed by Q3 FY '27, in line with our phased execution strategy.

Looking ahead, the structural drivers for solar-powered irrigation remain firmly intact, supported by government focus on renewable energy, water security, and farmer income enhancement. Backed by our integrated manufacturing platform, expanding capacities, and proven execution capabilities, we believe Oswal Pumps is well-positioned to capitalize on these policy tailwinds and deliver sustainable, long-term value for all stakeholders.

With that, I will now hand over the call to our CFO, Mr. Subodh Kumar, who will take you through the financial performance in more detail. Over to you, Subodh.

**Subodh Kumar:**

Thank you, Vivek sir. Good afternoon everyone. Now, I will take you through the key financial highlights for the Q3 FY '26.

I trust you have had a chance to review our earnings presentation and the financial disclosures. Mr. Vivek Gupta has already covered the top-line performance and EBITDA. So, I will focus on profitability, balance sheet strength, cash flows, and our outlook.



Starting with profitability: Profit Before Tax for Quarter 3 for financial year '26 stood at INR119.2 crores, translating into a PBT margin of 23.5%. This includes a one-time exceptional labour code impact of INR1.9 crores. Excluding this item, normalized PBT would have been INR121.1 crores with a margin of 23.8%, reflecting a healthy year-on-year growth of 16.0%. For the nine-month period, PBT stood at INR370.7 crores; adjusted for the exceptional item, PBT would have been INR372.6 crores, delivering a strong 30.5% year-on-year growth with margins sustained at 23.7%.

Moving to the bottom line: Profit After Tax for the quarter came in at INR91.6 crores with a margin of 18.0%. For the nine-month period, PAT stood at INR283.7 crores, reflecting a strong 30.9% year-on-year growth and a margin of 18.1%. This level of profitability, despite pricing pressures over the last two quarters, clearly demonstrates the structural strength and resilience of our business model. Our deep backward integration, disciplined cost structure, and frugal operating mindset continue to enhance cost competitiveness, protect margins, and reinforce lean, efficient manufacturing.

From a balance sheet perspective, we continue to maintain a healthy and conservative financial position. As of December 31, 2025, net debt stood at approximately INR188 crores. Net Debt to Equity was 0.12x; Net Debt to Operating EBITDA was 0.36x. The sequential increase in net debt during the quarter was primarily due to higher working capital requirements, largely driven by delays in receivables from state nodal agencies under government-backed programs such as PM KUSUM.

Importantly, this is purely operational and transitional in nature and not indicative of any structural changes in our leverage profile.

On working capital efficiency, our cash conversion cycle stood at 177 days in December compared to 157 days in September, reflecting a 20-day increase quarter-on-quarter basis. This elongation was primarily due to receivable days increasing to 157 days from 138 days, driven by collection timing from government-linked customers.

I would like to emphasize that these receivables are largely from government and government-backed entities and remain fully secure. Based on our historical collection experience and ongoing discussions, we expect payment cycles to normalize over the medium term, which should improve the cash conversion cycle, release working capital, and reduce interest costs.

Regarding capital allocation, IPO proceeds continue to be deployed strictly in line with the stated objectives, including capacity expansion, automation, backward integration, and debt reduction. These initiatives will further strengthen margins, improve efficiencies, and enhance returns ratios over the long term.

Now coming to the outlook: backed by a strong order book, robust execution pipeline, and favorable industry tailwinds, we are maintaining our financial year '26 revenue growth guidance of around 50% year-on-year basis. Over the medium term, we continue to target a 30% to 35% revenue on a CAGR basis.



From a profitability standpoint, operating EBITDA margins for Quarter 4 of financial year '26 are expected in the range of 25.5% to 26.0%. PAT margins for financial year '26 are expected between 17.5% to 19.0%, supported by structural demand for solar pumping solutions, expanding manufacturing capacities, our integrated and cost-efficient business model.

With that, now we open the floor for questions. Thank you. Thank you very much.

**Moderator:** Thank you. We'll take our first question from the line of Aashish Uppanlawar from InvesQ PMS. Please go ahead.

**Aashish Uppanlawar:** Yes, thank you for this opportunity. I have a few questions, sir. So the first one would be, I mean, this receivables extension, is it to do with the Maharashtra government receivables, and what is the status on that? When are we expecting and what is the hurdle on that right now?

**Vivek Gupta:** Hi Aashish ji. Basically, the receivables are definitely related to the Maharashtra State Government's Magel Tyala scheme. Under this scheme, receivables have been delayed due to some funds from Maharashtra State Government. They had applied to AIIB banks, and those have been sanctioned. There was a bit of a delay in those sanctions -- that was a procedural Maharashtra state work. That was one reason for the delay.

Second, this Magel Tyala scheme is under PM KUSUM, but it is an entire state government scheme. In this whole scheme, the state has to arrange its total funds. So, due to some internal accruals, the Maharashtra fund has also been delayed in this entire scheme. But now state agencies have shown confidence; we have had talks with them too, and they are very confident that their funding has been approved from AIIB and is continuously in line to come.

Second, their internal accrual funds are also being arranged. So they are very much pretty sure, and with the new scheme and new quantum, they are coming more. So I think this is in line and aligned. It was delayed a bit, but we are very much sure that in the coming months, it will improve very fast.

**Aashish Uppanlawar:** Sir, one thing I wanted to understand is that if there is INR100 of work, then how is the funding from the state side? You mentioned the AIB part, then the state government has its own part, and then there's a farmer's part. So how is this generally divided?

**Vivek Gupta:** Look, if we look at the original PM KUSUM, there is a 10% farmer share, 30% Central Government share, and 60% State Government share. This kind of mechanism is formed there. But in the case of Magel Tyala, here there is a 10% farmer share and a 90% State Government share. In which, for the Central Government—instantly when they introduced this Magel Tyala scheme -- the Central Government's share was not in it.

But the Central Government has also assured, from what I'm hearing internally, that they might merge this Magel Tyala scheme into the PM KUSUM 2 scheme that will come. So, if they merge that payment, which has very bright chances, then the State Government is also going to have an extra 30% fund arranged. So, currently, the State Government is arranging this fund from its total own funding resources.



**Aashish Uppanlawar:** But sir, as far as we were understanding a bit, these funds are approved and the CESS collection that happens from other electricity charges, the funding for this happens from what others pay. So, in this, there's no chance of money getting stuck or maybe a delay. So where has the difficulty arisen now?

**Vivek Gupta:** Sir, look, definitely what you are saying, Aashishji, is absolutely correct. Everything was already pre-planned in this, but because these are government matters internally, maybe the government used the total fund they had in the treasury for the time being, temporarily, in some other schemes. The government can rotate its internal funds anywhere. So that is an internal matter; we can't find out the details so internally.

But we have definitely faced this for some time now -- that the state government has a lot sanctioned for this scheme, but there was no money in the treasury, which they have outsourced. So now they are very confident that the arrangement of money has started for us, and in the coming time, we will give it to you in time and give the previous money very soon. And in fact, some money is coming this week and next week. So, their fund is starting now.

**Aashish Uppanlawar:** Okay, so this problem is limited to Maharashtra, right? I mean it's not there in other states that we work with?

**Vivek Gupta:** One more thing, Aashishji. Actually, if we look broadly now, Maharashtra is doing the biggest work in PM KUSUM right now, and the state government of Maharashtra is the most aggressive. And other states, because the business is very less in other states, not very much, it's medium, so there's not much effect there either. There is a little bit of delay everywhere, but the most delay is in Maharashtra. We can say this.

**Aashish Uppanlawar:** Okay. Sir, one more thing. The PM KUSUM 2, by when is it expected? I mean what are you expecting?

**Vivek Gupta:** Look, PM KUSUM 2, primarily we were thinking that this scheme would be introduced in the budget, but when it was not introduced in the budget, we talked in the Ministry. So they said that as a legal term, until PM KUSUM 1, this scheme is not fully finished, we cannot officially announce PM KUSUM 2. And the time period of PM KUSUM 1 is until 31st March 2026.

So as soon as this period is over, the finance department has approved the PM KUSUM 2 scheme, which is expected in a very good, modified way and in a large quantum. And in which the government has also added some futuristic programs, which I think can lead to even more revenue creation for us in the coming time. So I think we are expecting this PM KUSUM 2 at the end of March or early April.

**Aashish Uppanlawar:** Okay, okay. Fine, sir. And sir, one more thing was that except -- I mean in Maharashtra, the scheme is running in full swing. Similarly, even Haryana, I think Rajasthan is there. We have seen other states also coming up. So, can you tell us anything about what is the kind of acceptance and what are their plans overall in other states?



**Vivek Gupta:**

Look, one thing is very visible, Aashishji -- that this scheme is attracting every state very much. Since state governments -- every State Government is also grappling with a fund problem somewhere—so now the tie-up that the Maharashtra Government has done with AIIB banks for external funding, this visibility has come to every State Government very clearly.

And every State Government—some State Governments have also talked to us—and they are working on the same mechanism to take external funding and benefit their farmers in a very aggressive way.

So, I think the allocation in PM KUSUM 2 is also going to happen at a very large level, and every state is very excited. So I think the shape, figure, and size that PM KUSUM 2 will have is going to be entirely different. And we are very much optimistic.

**Aashish Uppanlawar:**

Okay, okay. Sir, any guidance on the margins? How they will shape up for you? I mean is there any commentary on that?

**Vivek Gupta:**

Look, as our CFO said, we are continuously working on margins. Definitely, the last some time has been very challenging for us. Even now, if you see, metal prices are also running at an all-time high, and in the two tenders that came in the past, there was a lot of pressure on pricing; pricing slashed quite a lot.

Even then, our team has done a lot of value engineering and added some things too, and we have taken some benefits from our suppliers. So all of that, if we have accumulated, then if you see on a very large PAT margin, only a little impact has come to us, maybe up to 1%, maybe 1.1% or 1.2% or 1.3%.

It has come after all these challenges. So I think profitability is going to remain in this range or a little plus range. I mean, we don't see any big challenge here from the visibility that is coming so far.

**Moderator:**

We'll take the next question is from the line of Karthik Bhat from LFC Securities.

**Karthik Bhat:**

Congratulations on a good set of numbers. I had a first question, any commentary on the PM KUSUM 2.0 allocation. It has been in line with the revised estimate of INR5,000 crores. Any commentary on that?

**Vivek Gupta:**

Hi Karthik Ji. Kartik ji, it is like this, the allocation of INR5,000 crores in the budget, we are not seeing it practically as an announcement. This is a continuation of an annual budget allocation. The visibility of the PM KUSUM 2.0 that is going to be announced, its fund allocation, we are continuously in touch with the Ministry. The whole industry is in touch. And they have clearly indicated that until the PM KUSUM 1.0 scheme ends on 31st March, we cannot officially announce it.

And in fact, a lot of things have been modified in PM KUSUM 2.0 that the industry wanted to be modified. Number one point. Second, the volume side also, which we have news internally, we are getting very good volumes. And the allocation of funds will also be given at a very good



level. So the government is very positive. And the government is coming to PM KUSUM 2 with a very good plan. So I don't think there is any gap or any concern here regarding PM KUSUM 2.0.

**Sanjeev Sancheti:**

I just want to add. Can I just add one point here which is important? Sanjeev here. If you look at the way the budget has been in the past, given, if I go back in budget 2024-25, the budget was INR1,496 crores, but actual performance was INR2,525 crores. So they did a revised estimate of -- was INR2,525 crores. What happened was the actual budget of INR1,496 crores, the actual achieved was INR2,525 crores, so they made the 25-26 budget INR2,600 crores. Now, INR2,600 budget of 25-26, the actual achieved was about INR5,000 crores, which is a revised estimate.

So they have also announced a budget of INR5,000 crores this year. But the budget has not been the limitation over the last two years. Every year, the actual allocation has been almost double of the budget. So the budget cannot be the indicator of what volume will come in the future. Of course, KUSUM 2.0 will take it to the next level, which we have to wait as Vivek Ji announced. I just wanted to share this.

**Karthik Bhat:**

We are optimistic about that. Sir, till now there's no clarity on Component C, right? It's going to come after 2.0 probably, right, sir??

**Vivek Gupta:**

Look, sir, it's like this: in Component C, if we look practically, until now work was not done very effectively in Component C. And in fact, if Component C happens and work is there, then we are again very much confident -- it doesn't matter to us whether it's Component B or C. Our entire team is 100% capable for the entire Component B as well as C. But from what I'm hearing, Component C will be more, more clearer than as per the last scheme.

So if it comes with a lot of clarity, it will be again a good segment -- a good sign for us that we will get a chance to participate more in one more scheme. We are in Component B, we will also be in C. So again, it's a very good news for us if it comes with a lot of clarity.

**Karthik Bhat:**

So my last question, sir. Any update, sir, on your upcoming range of products -- helical pumps, PCP, or centrifugal pumps? At what stage are they now? Are they ready for launch? And besides that, what is its market size..

**Vivek Gupta:**

Sir, sorry, Karthik Ji, will you repeat your question once again?

**Karthik Bhat:**

Sir, your upcoming range of products like helical rotor pumps, PCP, industry centrifugal pumps, what is the update on that now? And what is its market size, whether you're going to do it for export or domestic?

**Vivek Gupta:**

Look, our new products, especially if I talk about helical pumps, so we had developed that pump to a great extent in the last quarter. In fact, we developed it, so we are also in the planning of its launch in the market, but there is a little bit -- the desired results that we want in it, which we need so that we can do as Oswal has always been doing in the market, that compared to the pumping systems already running in the market, we have better results, better quality, better performance.



So that one thing, satisfaction, is not coming at that level. So now our whole team is observing its performance and taking a little time as to when to observe it at the right time. But practically, we have developed the product. So we are going to bring it to the launching stage very soon.

**Karthik Bhat:**

Sir, last question. Any commentary on the competitive landscape right now in bidding?

**Vivek Gupta:**

Competitive?

**Karthik Bhat:**

Competitive landscape. Some new companies are coming now and backing good size of orders.

**Vivek Gupta:**

Look, Karthik Ji, basically what is there: one thing is very clear, as the volumes of any schemes increase, competition comes there, and definitely in this scheme, the number of participants is continuously increasing. So that is not a big challenge for us because Oswal is carrying the best profitability in the entire industry, number one point. We have the entire service setup, every total thing, product, backward integration of the product, and a very big team with expertise.

We have all facilities in-house. So the market share too, Oswal is carrying a very big share in the market today, a very big share. And continuously, Oswal is one of the biggest players who is trying to be present everywhere in every state in India, in maximum states where tendering is coming or where PM KUSUM is being introduced. There is maximum participation in every state.

So the targets of our company, which we are thinking that we have to reach this level, take this growth -- for that growth, I don't think we are going to have any kind of difficulty in competition. Definitely, pricing and all that will come in competition, but Oswal will be the last sufferer, I can say. We will be the last person who is going to suffer in any kind of price or system if there is a very steep competition.

**Moderator:**

Next question is from Anand Kulkarni from Front Wave Research.

**Anand Kulkarni:**

So sir, I had two questions. First of all, what is the number of pumps sold in this quarter and what is the mix between solar and non-solar, and export and domestic?

**Vivek Gupta:**

Total solar pumps that we have sold in this quarter are 20,463. These are our total installations in this quarter -- Direct and Magel Tyala both. These include direct PM KUSUM and Magel Tyala totalling around 16,000 pumps, and about 3,623 pumps supplied to other PM KUSUM players.

**Anand Kulkarni:**

Okay, sir. And export versus domestic? You gave the bifurcation of 20,463. Export versus domestic?

**Shivam Gupta:**

Non-Solar Agri-pumps and non-solar non-agri, combining both, are 14,581. They are other -- besides this, right? Domestic market and export market. Yes, yes. Domestic and export market, 14,581 pumps.

**Anand Kulkarni:**

14,581. How many exports were in this or is this an export figure, sir?



- Shivam Gupta:** Do you have the bifurcation of exports in this?
- Vivek Gupta:** At present, Anand Ji, immediately how many numbers are export and domestic in these 14,000, that number is not available immediately. Should I update that after waiting for 10 minutes? Okay, it will take a little time. I'll update this number for you after 10 minutes. In the meantime, we can come to the next question.
- Anand Kulkarni:** Okay. My second question was, sir, the guidance you just gave for the medium term of 30% to 35%. So our current order book, considering pipeline, is this including that and giving us revenue visibility or the orders expected in FY27 also, are they baked into this guidance, sir?
- Vivek Gupta:** No, look, right now we have 24,500 pumps as orders in hand, which our Q4 is absolutely clear, intact, for which we have given visibility. And the 25,000 numbers that are in the pipeline, which are expected to come, so we are talking about next quarter, upcoming quarters -- that this is different from the rollout of PM KUSUM 2.0.
- Meaning PM KUSUM 2.0 will come, the numbers that come in it will be added separately. So these are the numbers whose clear visibility is coming without PM KUSUM 2.0? Thank you, Anand ji. I'll just give you this question's answer too. Anand ji, there were around 2,000 numbers in this, in the export numbers.
- Moderator:** We'll take the next question from the line of Aditya Vora from Sohum AMC.
- Aditya Vora:** Yes, thank you for the opportunity. Good afternoon Vivek Ji and Subodh Ji. Sir, I have two questions. One, I was looking at the realization -- the numbers you gave for 3Q. In that, if we see solar pump realizations too and non-solar pump realizations too, they have significantly gone up. Like I was matching, your solar pump realization has become INR1,70,000 to INR2,00,000, and non-solar pump realization has become INR35,000 to INR52,000-INR53,000. So can you just help me understand why these are increasing so fast?
- Vivek Gupta:** Look, there are two things. I'll tell you about solar pumping first. The price realization of solar pumps depends on which -- in which area -- what horsepower pump and rating pump orders we get. If we get orders for 3 horsepower rating, then definitely the realization will be less. If we get orders for 5 horsepower, then the realization will be a little more. If we get 7.5, then -- one, this difference will always keep coming in the realization.
- Second, definitely, if we talk about the pumping system, the turnkey projects, in the last two quarters, as I said before, the prices of tenders have also gone down. So that is also an overall realization -- an impact of around 13%-14% came on pricing in both tenders. So that is a direct effect of realization, so that will also come. And the non-solar pumping, again, because we have a very big range of pumping, in exports too, it keeps varying according to the agriculture season also, non-agriculture season also.
- In export too, in different countries -- if we are exploring new countries, so there, sometimes we get orders for very big pumps, sometimes we get orders for medium-term pumps. So this keeps varying because we make pumps from 0.5 HP -- 0.5 horsepower to around more than 100 HP.



So in different areas, requirements keep coming; this keeps varying a bit or it also varies season to season.

**Aditya Vora:**

Right. So basically, you're saying that because of product mix, your realization has increased in this quarter. Right. Despite the fact that in your turnkey PM KUSUM, the realization has been decreasing for two quarters, but because your other product mix is going much faster, your blended realization is increasing. Right?

**Vivek Gupta:**

Right, right. Absolutely right.

**Aditya Vora:**

Sure, thanks. Sir, secondly, I wanted to understand structurally in the industry that considering that in Maharashtra, there is a bit of a payment issue, so how do we look at it? Could there be a possibility that if this is delayed even more, will we have to not take further incremental orders from Maharashtra? Because your working capital currently is not under any pressure because you've raised funds and also your liquidity position is quite good.

But as you go ahead, could there be a possibility that your receivables come at the expense of your sales, where your receivables keep increasing and at a point, additional incremental sales won't come, your growth will have an issue? I mean, in the worst-case scenario, how can this be?

**Vivek Gupta:**

Aditya Ji, you've asked a very relevant question. So I want to tell you one thing: we observe the balance sheet, the company, the company's operations very, very closely -- every month, every time, we do. The most important thing for us is that the company's working remains in a balanced way. It's not that we keep increasing receivables just for revenue. That's why we are also continuously in touch with the central government and the state government; we also discuss their internal position.

And from here, when we have this confidence that the state government is continuously taking out more tenders and the state government's plans for solar pumps are very big. And we think that temporarily, to this level, our balance sheet and our internal accruals and our external funding can support us -- we can go to such a type of risk, say, of cash flow. Otherwise, whatever calculation we are doing, we are very much sure that we have very good data available historically too regarding payments in state governments -- number one point.

Second, as per the commitment level of CMDs and other officials, their visibility level, and seeing the aggressive plans, a lot of confidence comes that all of this is a very temporary phase, which we have to do. And in this temporary phase, maybe there's a good thing too, Aditya Ji -- that players like us, who are walking with patience, who are seeing a future visibility.

So if we are supporting the department in supply and everything, then tomorrow, definitely the department is also going to visualize this -- that these people, who for us due to lack of fund or a temporary difficulty of fund. And the contribution of these companies in making this program of top officials successful has been a lot.



So definitely the department's soft corners will remain in our favor in the coming time due to quantum, due to business. So we are quite very confident that we are continuously paying very good attention towards our balance sheet, our internal accruals, and all that. And you rest assured that you can trust our company -- that the company is very visible and very vigilant about everything regarding the bottom line, top line.

**Aditya Vora:** Right. Thank you so much for that. Just a related question to that: the receivables we have for December and the receivable days for December -- and today is February -- so in the last one and a half months, have things improved in this?

**Vivek Gupta:** No, look, if we talk until today, things have not improved very well. But if we talk about in the next 10 days, in 15 days, then they are going to improve very well. This indication came to us from the department just two days ago -- that we have already received funds and we are making your files, releasing a good amount of your funds. And until March, they talked to us about releasing funds three times.

So I think until March, we cannot say that a very good flow is going to come, but we are not going to have difficulty in planning any kind of revenue or doing anything; I don't think we'll have more problem. Our fund is going to be infused, which visibility is coming to me in this quarter.

**Moderator:** Next question is from the line of Shashikant from Brighter Mind Equity Advisor.

**Shashikant:** Good Afternoon Sir, I'm speaking from Brighter Mind. Sir, basically, my one question is that what were our inventory days in total in this quarter?

**Vivek Gupta:** 36 days, 36 days. Inventory days were 36 days in this quarter.

**Shashikant:** Total, how much is it normally in the cycle on every, I mean, quarter basis if we see?

**Vivek Gupta:** Our quarter basis and normal cycle is between 32 to 36 days -- I mean 32 to 40 days, you can assume.

**Shashikant:** Okay, okay. Sir, the second thing is that currently, as commodity prices have increased, like our input costs, copper has become expensive, stainless steel -- so what was the impact of this on our financials? Can we pass it on? Because there are government tenders, there we mostly have fixed pricing.

**Vivek Gupta:** No, look, Shashikant ji, definitely we cannot pass it on in any of the government tenders because the rate that we have taken on the day of the tender, after that, those rates are applicable more or less for a year until the tender is finished, number one point.

Second, as I said before, two quarters have been very challenging for us, especially in terms of the price that has gone down in the tender, number one. Second, commodity metal prices are at an all-time high. Both these things have been very challenging for us, but to some extent, we



were able to anticipate this, we were in intuition that such a thing would happen in the coming time.

So our team was continuously working on value engineering one point. We covered up some from value engineering there. Second, we covered up from our suppliers some of our suppliers have also supported that we have given them big business. We have also consolidated some of our suppliers, the suppliers who were able to give us more benefit, we have also diverted some business from small suppliers to big suppliers.

So by making such strategies, the company has tried from every angle so that we can nullify and neutralize our profitability as much as we can. So if you see, the impact which was of 15%-16%, we neutralized that and brought only 1%-1.25% to our balance sheet on the margins.

So this has been. So we are quite confident, and in the time so far, I think the biggest impact regarding metal and pricing has already come. Now any new tenders that come, we will fill them in the new prices only, so there that challenge won't come.

**Shashikant:**

Sir, another question was, what will be our market share in this total PM KUSUM?

**Vivek Gupta:**

Look, if we talk about total installation, if I talk about what is the total installation of pumps in PM KUSUM 1 till date, so I think it is around 10 lakh pumps, the total installation. Out of that, our share would be around 28% total directly and indirectly.

**Shashikant:**

Sir, currently, as PM KUSUM 2 is going to open, as you said, in April-May most probably, so now what is the current competitive intensity in the industry regarding biddings? Is it still the same level of competitive intensity or is there some reduction in terms of bidding?

**Vivek Gupta:**

Look, there are two things if I talk about competition. Competition in terms of bidders, I will definitely say that the number of bidders might increase even more because regarding profitability of this scheme or those who are already there like us, many people are being attracted by looking at our balance sheet. So number one point, it would not be wrong to say that bidders won't come.

But the price competition, I think that if any price competition comes, it will not be very impactful on the profit, because they will either bring that benefit from the suppliers ultimately because profitability has reached a rock bottom.

Even then, if such a mishap occurs, if even more competition comes, then I can say one thing which is absolutely certain and 100% clear, Oswal will be the last sufferer. Because in the entire industry, the biggest backward integration, most of everything, whether it's service or any kind of facility, if anyone is doing in the industry in-house, then Oswal is the most prominent player in this industry, where there is backward integration too, where Oswal is also doing the best value engineering, the best service network is also in-house; sales, installation this team is Oswal's in-house team. So because of that, we are going to survive for a very long time and make good profit this is what I think despite steep competition.



- Shashikant:** Best of luck, sir. Thank you.
- Vivek Gupta:** Thank you, Shashikant ji.
- Moderator:** Thank you. Next question is from Surabhi Saraogi from NCML. Please go ahead.
- Surabhi Saraogi:** Sir, my question is that suppose in case PM KUSUM 2 does not get launched in April, it gets delayed a bit more, then what will be the driver for our -- for the growth in revenue and what are the growth rates that we are expecting for financial year '27?
- Vivek Gupta:** Look, Surabhi, one thing is very clear. If PM KUSUM 2, as you asked me, by chance gets delayed or doesn't come, then what is the scene? So definitely, the company has also started thinking towards diversification, and since we already have all those things available, we have started our trials in connected lines like PM Surya Ghar, and we are strengthening its backward integration even more as much as we already have, so that in the coming time, we are also opening a new vertical which is of PM Surya Ghar.
- Second, we are also strengthening our export team a lot so that the time of export -- the pipeline of export can be made even stronger. Third, like our private market, domestic market, the company is also making its network and its new strategies so that in the coming time, next year, we will strengthen that vertical too apart from solar.
- And we are also opening the private solar pump market very aggressively, which we were approaching very casually until now, which now the company has made like a whole vertical. So all these steps have been taken care of by the company. Plus, apart from all these, since our solar -- as I said, our capacities of 1 gigawatt are being added in April, after that 0.5 gigawatt is also being added.
- In case PM KUSUM is delayed, then the solar capacity we have, we will start a separate vertical there too, if in case PM KUSUM is delayed, then we will start our vertical in EPC for large rooftops, large systems because we already have the network, the team, the experience, which until now we were neglecting due to PM KUSUM and we were not focusing on it.
- In case it gets delayed, then definitely that is also a vertical. So I don't think that—if I directly assume that PM KUSUM gets delayed -- then there is a very big impact. Definitely, I will say that impact will come for once, but it will be temporary, maybe until H1. But otherwise, in the coming time, we are going to grow considering other verticals, and maybe if this happens, there can be a little impact in profit, but I don't think a very big impact will come, and the company is working very aggressively internally on their way outs. Thank you, Surabhi.
- Surabhi Saraogi:** Okay, sir. Great, sir. Thank you.
- Vivek Gupta:** Thank you very much, Surabhi.
- Moderator:** Thank you. Next question is from the line of Gaurav Shukla from Finvestors. Please go ahead.



**Gaurav Shukla:** Namaskar, sir. Basically, all my questions have been asked, but I wanted to ask about this PM KUSUM 2, what it will be and the margin guidance for next year?

**Vivek Gupta:** Look, Gaurav ji, definitely if you speak from our viewpoint, we are very much optimistic and positive. PM KUSUM 2 is coming at a very good level, from what the internal news is. And to say it in layman language, it will come with great pomp, it will come with a big bang. And we are doing a lot of internal preparation.

The good thing is that because of this delay, definitely I would like to share one point with you -- because of the delay, a point of diversification has also come to our mind and we have thought internally that the company should now be diversified even more in different verticals in the coming time, so that in the coming future, if any government scheme is delayed, then a very big impact should not come on our total revenue. So this is it.

Otherwise, regarding PM KUSUM 2, there is not even 0.1% question mark in our mind regarding denial. There is delay, definitely, but not denial, number one point. Second, regarding margins, if you see historically, this year has been very stressful for the company in terms of margins, but we didn't let that stress come in the balance sheet, in the margins.

We have done a lot of value engineering on it, worked a lot. In fact, even now our team is continuously working, so regarding any kind of price margin or price stress, we are not going to be in much stress because we have the best facilities in the entire industry and we will work continuously, so that challenge won't come regarding price and there's not going to be a very big gap regarding profitability too. Yes, Gaurav ji.

**Gaurav Shukla:** Sir, the receivables we currently have, is it entirely from the Maharashtra State Government or is some from the centre too? I mean I wanted to know the bifurcation of the receivables?

**Vivek Gupta:** Look, Gaurav ji, all our -- since this whole program is center-driven, but our beneficiary is the state, so our billing is to the state government. So our receivables are all with the state government, number one point. Second, definitely, major receivables are of Maharashtra; if we see around 70%-75% receivables in total receivables, so again they are of Maharashtra. So definitely.

**Gaurav Shukla:** Okay, sir. And what growth are you expecting in FY '27? I mean what revenue growth or PAT growth?

**Vivek Gupta:** Gaurav ji, here I will say two things. Q1, definitely if -- like on 31st March or early April, PM KUSUM 2 comes, then Q1 can go a little slow. But it's also very early to say whether it will go slow or good; it's not very -- because apart from PM KUSUM 2, the company has very good visibility of orders, so I don't think there's any gap going to come. Still, a gap -- I don't think very much will come, and what was your question?

**Gaurav Shukla:** Growth in FY '27, like you've said about 50 to 60 in FY '26...



**Vivek Gupta:** FY '27 growth too, in fact, I don't feel any kind of doubt so far that we won't be able to grow. We see good growth. If PM KUSUM 2, as Surabhi ji just spoke about, if I assume for a minute that it becomes an absolute denial, then definitely we might not be able to take very big growth.

Still, we will be able to handle the present situation very well -- this is what I feel. But such a thing can only be an assumption that PM KUSUM 2 will not come; it can only be a delay. The question of not coming cannot even arise because behind this, the central government, the state government have a lot of stakes, the whole industry has stakes.

So the government cannot do any kind of such work, and from as much as we talked in the Joint Secretary or Central Government, their discussion, their very big visibility also doesn't suggest that there can be any kind of gap. So we are almost -- not almost, we are 100% sure this scheme is going to come in a very good way.

**Gaurav Shukla:** Sir, thank you very much. We depend on your comments.

**Vivek Gupta:** Thank you, Gaurav ji. Look, you and we have now become like family members, like a family. So I -- you have kept me, seated me for a job, that I work for the company on your behalf. So I can definitely say with full integrity, with full responsibility, Oswal will fulfill that ownership and keep fulfilling it.

And that is our commitment too. Despite some external things which are not in hands, that is in God's hands, otherwise regarding our efficiency or integrity, I can give 100% assurance to all my family members -- I will call you all family members, our whole family, extended family-- that we are very much confident about our future, about all our future.

So Oswal is working with a lot of integrity and in a very good future. Temporarily, some turbulence will keep coming in the meantime -- this is business. But in the long run, I don't see any turbulence.

**Gaurav Shukla:** Thank you, sir. Thank you.

**Vivek Gupta:** Thank you, Gaurav ji.

**Moderator:** Thank you. We'll take our next question from the line of Rudraksh Kalra from MB Investment. Please go ahead.

**Rudraksh Kalra:** My question is from the management. Right now our cash flows are not very resilient. We are facing a lot of issues. So first of all, as our debtor days have increased, receivables have increased, first of all, I wanted to know what the company is planning in the short term and long term to make this more resilient. And are we looking at invoice discounting? Is that an option available with the company?

**Vivek Gupta:** Yes, look. Definitely, as I said before regarding this, maybe Anand ji or Aditya ji had asked, I had answered. So one thing is clear that all this cash -- difficulty of, it is a temporary phase. It is



not a long-term phase, which I think will be a little better in this quarter end also, and from the first quarter, I see very good things everything is going to be alright.

And besides that, the invoice discounting, all this, definitely we are exploring, we are talking, it's going on with our banking. So I think we'll get this facility or an opportunity too. So I don't think there's a difficulty in all that.

And still, apart from all this, we are also going to accept further orders in a very vigilant way where there should not be any kind of this challenge in the balance sheet that there is going to be stress regarding cash. So if it feels like that, then the company will temporarily sacrifice revenue. But it will not take any such risk so that our stakeholders' money or any kind of that comes at risk. Our thought process is very clear in this matter.

**Moderator:**

Yes, sir. His line is disconnected. And we'll take that as the last question for today. I now hand the conference over to management for closing comments. Over to you, sir.

**Vivek Gupta:**

So, thank you all of you. And definitely, and I heartily thank everyone for the trust you have maintained in Oswal. So really, we are very thankful to you. Thank you very much. Good evening.

**Moderator:**

Thank you. On behalf of IIFL Capital Services Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.