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Oswal Pumps Ltd.



An ISO 9001 Certified Company

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Sub: Transcript of the Earnings Conference Call for Q4 FY 2026 held on May 18, 2026

Dear Sir/ Madam,

Please find enclosed the transcript of Earnings Conference Call conducted by the Company for Q4 FY 2026 on Monday, May 18, 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

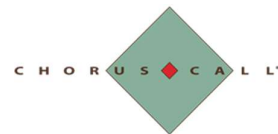
Electric Motors

Submersible Cable



“Oswal Pumps Limited
Q4 FY '26 Earnings Conference Call”

May 18, 2026



MANAGEMENT: **MR. VIVEK GUPTA – CHAIRMAN AND MANAGING DIRECTOR – OSWAL PUMPS LIMITED**
MR. AMULYA GUPTA – WHOLE-TIME DIRECTOR – OSWAL PUMPS LIMITED
MR. AVADHESH K. SINGH – GROUP CHIEF OPERATING OFFICER – 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 Limited Q4 and FY26 Earnings Conference Call. 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 '*' then '0' on your touchtone phone.

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

Renu Baid: Thank you, Ria. On behalf of IIFL Capital, I like to welcome the management of Oswal Pumps with us today to discuss the Q4 FY26 earnings. From the management team, we have with us Mr. Vivek Gupta, Chairman and Managing Director; Mr. Amulya Gupta, Whole Time Director; Mr. Subodh Kumar, Chief Financial Officer; Mr. Avadhesh K. Singh, Group Chief Operating Officer; and Mr. Sanjeev Sancheti, IR Advisor, Uirtus Advisor. I now hand over the call to Mr. Sanjeev Sancheti for his opening comments. Thank you, and over to you, sir.

Sanjeev Sancheti: Thank you, Renu, and good afternoon, everybody. It is my pleasure to welcome you to the Oswal Pump Q4 FY26 and full year FY26 earnings call. As already said by Renu, we have with us the senior management team of Oswal Pumps, which includes Mr. Vivek Gupta, Chairman and Managing Director; Mr. Amulya Gupta, Whole Time Director; Mr. Shivam Gupta, Whole Time Director; Mr. Avadhesh K. Singh, Group COO; and Mr. Subodh Kumar, the CFO.

Before we begin, I would like to draw your attention to the safe harbour statement included in the earnings and strategy presentation, which contains forward-looking statements and is also available on the BSE and NSE website. I would request all of you to go through that thoroughly.

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

Vivek Gupta: Thank you, Sanjeev ji, and a very good afternoon, everyone. On behalf of Oswal Pumps Limited, I warmly welcome all of you to our Q4 FY26 and full year FY26 earning call and thank you for taking the time to join us today. I am delighted to report that FY26 has been a landmark year for Oswal Pumps.

For the full year, operating income reached INR2,064 crores, the highest in the company's history, marking a robust year-on-year growth of 44.3%. Closing the year on a strong note, Q4 FY26 operating income stood at INR510 crores, reflecting a year-on-year growth of 39.8%, underpinned by disciplined and large-scale execution under PM-KUSUM and various state government schemes, and further reinforcing our position as a trusted leader in solar-powered irrigation solutions across India.

Operating EBITDA for Q4 FY26 stood at INR118 crores, translating into a margin of 23.2%. For the full year, operating EBITDA grew 22.4% year-on-year to INR514 crores, with a healthy margin of 24.9%. The sequential moderation in Q4 margins is attributable to competitive tender



pricing and input cost pressures stemming from prevailing geopolitical uncertainty. These headwinds are being proactively addressed through structural value engineering exercises and targeted cost optimization initiatives across all our operations.

FY26 also marked a historic milestone on the profitability front, with PAT reaching INR376 crores, the highest the company has ever recorded, representing a year-on-year growth of 34.1%. The momentum carried strongly into the final quarter as well, with Q4 FY26 PAT coming in at INR93 crores, a year-on-year increase of 44.8%. PAT margins stood at 17.9% for the quarter and 18.0% for the full year, reflecting the underlying earning quality and the resilience of our business model.

Turning to our order book, the company continues to maintain a robust business pipeline. Our current executable order book as of May 15, 2026 stood at 19,912 pumps. Additionally, we have a near-term pipeline exceeding 25,000 pumps, providing healthy revenue visibility for the coming quarters. On a cumulative basis since entering the solar pumping space, we have executed over 1,06,122 solar pumping systems directly under PM-KUSUM and allied state government schemes across 15 states, cementing our position as one of the largest suppliers of turnkey solar pumping systems in India.

We are also closely tracking the anticipated rollout of PM-KUSUM 2.0, which we expect to scale meaningfully in FY27 and represent a significant incremental opportunity for the company.

India's increasing focus on energy transition, agriculture solarization, water efficiency, and distributed renewable infrastructure continues to create long-term structural opportunities for the company.

As part of our long-term growth strategy, the company is proactively diversifying beyond government-driven solar irrigation into rooftop solar, utility, and commercial & industrial (C&I) solar projects, reducing single-scheme dependency and broadening our addressable market.

FY26 marked a significant strategic milestone with our entry into rooftop solar segment through the first order under the Government of India's PM Surya Ghar Muft Bijli Yojana. Our wholly owned subsidiary, Oswal Solar Energy Private Limited, has also incorporated a special purpose vehicle, Oswal Doon Baran Bundi Solar Projects Limited, in partnership with Doon Infrapower Projects Private Limited, holding a 60% stake to execute rooftop solar photovoltaic power projects on state government buildings in Rajasthan under the Hybrid Annuity Model (HAM). Across the rooftop solar, utility, and C&I solar segments, we have built a healthy combined pipeline of approximately 300 MW as of date. Together, these segments provide strong top-line visibility and reflect growing market traction as we scale these verticals systematically.

On the IPO objects front, I would like to share a brief update on our capital expenditure plans. Pump and motor capacity expansion and automation: we expect the entire capex program scheduled for completion by Q3 FY27. And in solar module plant, with respect to our solar module facility, we expect the first phase of expansion comprising 1 GW of solar module to be



completed by Q1 FY27. The remaining 0.5 GW expansion is planned to be completed by Q3 FY27 in line with our phased execution strategy.

With a strong foundation in solar power irrigation, a growing presence across multiple renewable energy segments, and a proven ability to execute at scale, the company enters its next phase of growth from a position of considerable strength. Ongoing capacity expansions, a diversifying revenue mix, and India's clean energy tailwind together create a compelling platform for sustained value creation for our farmers, our communities, and our shareholders.

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

Subodh Kumar:

Thank you, Vivek sir, and good afternoon, everyone. I will now take you through the key financial highlights for Q4 FY26 and the full year FY26. I trust you have had the opportunity to review our earnings presentation and financial disclosures. While Mr. Vivek Gupta has already covered the operational and business performance, I will focus on the company's financial positions, cash flows, working capital profile, and IPO fund utilization.

From a balance sheet perspective, the company continues to maintain a strong and well-capitalized financial position. As of March 31, 2026, net debt stood at approximately INR135 crores, translating into a net debt to equity ratio of 0.08x and net debt to operating EBITDA of 0.26x.

On the cash flow front, the company witnessed a significant improvement in operating cash flows during FY26. Operating cash flow improved from negative INR142 crores in FY25 to negative INR77 crores in FY26, supported by better working capital discipline and improved collections efficiency. Importantly, collections exceeding INR116 crores received on April 2, 2026, effectively converted the full-year operating cash flow positioning into a positive INR39 crores, highlighting the strong underlying cash generation capability of the company. Further reinforcing this improving trend, operating cash flow for Q4 FY26 stood positive at INR171 crores.

Our cash conversion cycle as of March 31, 2026, stood at 172 days as compared to 177 days as of December 31, 2025, reflecting gradual improvement in working capital efficiency. Receivable days remained elevated at 155 days relative to historical levels, primarily due to delay in collection from state nodal agencies under the PM-KUSUM and Magel Tyala schemes. We would like to reiterate that these receivables are entirely from government and government-backed counterparties and therefore remain fully secure in nature.

Over the last few months, we have started witnessing early signs of normalization in collection, supported by continuous engagement with the respective authorities. As the collection cycle improves further, we expect a meaningful reduction in the cash conversion cycle along with corresponding benefit in finance cost and overall operating efficiency.



IPO proceeds continue to be deployed in the line with stated objectives, including capacity expansions, automation, backward integrations and debt reduction, all of which are expected to strengthen the company long-term profitability and return metrics.

For FY27, we are targeting overall growth of 20% to 25% over the previous year. This year is expected to have a distinctly back-ended growth profile, with the first two quarters likely to witness a moderate but temporary revenue decline due to the timing of project award and execution schedules, with execution momentum building progressively in the second half of the year.

This phasing is closely linked to the anticipated rollout of PM-KUSUM 2.0, which we believe is imminent. The timing of announcement will have a direct bearing on near-term order inflow and execution scheduled. At the same time, as discussed by our MD sir, we have been actively building a pipeline across multiple other project segments to diversify growth drivers beyond KUSUM-linked opportunities.

We expect these initiatives to start contributing meaningfully from the third quarter onwards and support a broader execution base going forward. Looking beyond FY27, we are targeting a sustained growth momentum of 30% to 40% in the medium term, as execution across these multiple fronts gathers pace.

From a profitability standpoint, we expect operating EBITDA margin for FY27 to be in range of 22.0% to 23.0%. The slightly lower margins are due to elevated input cost arising from ongoing geopolitical tensions along with competitive pricing dynamics in the tendering environment, which we believe is transitional.

Beyond FY27, we do expect margins to improve gradually as operating leverage strengthens, and market conditions normalize.

However, we will provide firmer guidance on the margin trajectory as we progress. We would encourage investors to evaluate our margin on an annual basis, as quarterly margin may vary with the phasing of execution. PAT margins are expected to be in range of 15% to 16% for FY27, broadly in line with the operating margin trajectory.

With that, we would now be happy to take your questions. Thank you. Thank you very much.

Moderator:

First question is from the line of Ms. Renu Baid from IIFL Capital Services Limited. Please go ahead.

Renu Baid:

Thank you. Sir, my first question would be, you did allude to fiscal '27 to be a back-ended year for growth and first half probably likely to see decline. So, if possible, can you share what is the expected growth that you're looking or decline that you're anticipating in first half? And in your view, what percentage of your growth guidance is dependent on incremental new orders being awarded under PM-KUSUM 2.0? So, in case if there are further delays from KUSUM 2.0, is your 20%-25% revenue growth guidance for the year at risk? That's the first question.



Vivek Gupta: Thank you, Renu ji. Basically, definitely, we are waiting for PM KUSUM 2.0. As we got information from the Ministry, we are expecting the PM KUSUM 2.0 launch at any time, and we expect the first meeting from the ministry immediately. So definitely, as soon as we get the announcement for PM KUSUM 2.0, a very clear growth trajectory will emerge with a lot of clarity. Number one. But in the meantime, as I said, we have already started diversification in our business. We already have orders for Magel Tyala, and the orders for the Magel Tyala T5 tender that was recently bid are also about to be allotted to us.

So, we are still waiting for those orders. Third, the business we have participated in for rooftop and other tenders, for which we have very strong visibility -- seeing that system, we have a very healthy order book for Q1 and Q2 as of today. But since this is a new diversification line, we are a little conservative about the execution challenges we might face, so we are being a bit conservative there. Otherwise, as an order book, we are quite very safe and we have a strong order book as of today. Thank you.

Renu Baid: First half that you are indicating?

Vivek Gupta: First half, look, as an order book, I think we can easily cover the revenue from last year; even we can do more than last year's revenue. But we are staying slightly conservative here because of the business we are getting in the new diversified lines -- how the execution part will be and what the experience will be. So, as we gain experience, we will take a more aggressive call on that.

Renu Baid: Sure. So, second question -- as you mentioned, you've built up a strong order book for rooftop solar, there's an SPV also which you've created for projects in Rajasthan. So, in these rooftop projects, what is the expected profitability that we are looking at? Given that we are new in the segment, cost structures are different, and these are early stages of understanding and executing orders. So, what is approximately the margin differential versus the core business here?

Vivek Gupta: Okay, fine. Look, as Oswal has a very backward integrated facility, we are making all structures as well as solar modules, BOS, and even we are going to start our inverter production. So, we already have all those facilities. So, our first plan is to see what overall challenges we face after doing this execution. So, we are not focusing on profitability in the first phase; we are focusing on execution and seeing what challenges arise.

So, it's possible that in the first phase, we might spend more in the name of experience, but overall, in a future way, because we have all that backward integration available, infrastructure available. And we already have a network in the market, so definitely, the profit margin compared to what we are taking now, the guidelines we've given, we are quite very sure that we will achieve that. Thank you, Renu ji.

Renu Baid: Sure. Thank you.

Moderator: Thank you. Next question is from the line of Nitin Kaushik from Ascend Capital Private Limited. Please go ahead.



Nitin Kaushik: Hello. Good afternoon, sir. Thank you for the opportunity. Sir, my question was, could you provide some guidance on expected capex for FY27 and in which areas this investment would primarily be directed towards?

Vivek Gupta: Okay. Yes, thank you Nitin ji. The capex that we have taken from the IPO proceeds is the same capex as we gave in the guidelines. We are doing capex in two places: one in our parent company, Oswal Pumps Limited. So, we will infuse the entire IPO proceeds of around INR90 crores by Q3, which was taken for automation and capacity enhancement. And the second, we had taken funds for Oswal Solar, where we are enhancing our capacity from the existing 600 MW to 2.1 GW, as well as its backward integration like an aluminium extrusion plant, EVA, and so on.

So, we expect to fulfil all those facilities by Q3; a little bit might remain in aluminium extrusion or something, but by the end of this year, I think we will infuse around INR350 crores of total capex this year in FY27.

Nitin Kaushik: Okay, sir. Sir, with PV modules now contributing sizeable share of revenue, so how should we think about its profitability like the EBITDA margins have slightly reduced, so is it because that PV modules are gaining significant share of revenue or is it due to the PM-KUSUM scheme segment or solar pump segment?

Vivek Gupta: Nitin ji, look, primarily the basic agenda for the expansion of solar modules we planned was that we will focus more on PM KUSUM and this will help us in the backward integration of PM KUSUM. But as we mentioned, now that PM KUSUM 2 is delayed or has been delayed, in the meantime, the company has taken a strategic call to diversify into other businesses as well.

So definitely, our core thought is that we should pick up tenders in rooftop or other areas as well so that those margins are also with us. So definitely, this solar module will help us in scaling and also help a lot in protecting profits. So, in fact, now our PV module manufacturing is going to help us in multiple places, like PM KUSUM 2 is coming, it will help us there and it will also help in other rooftop or other systems.

And regarding profitability, because you see the geopolitical issues today and the prices of raw materials are very high because of those issues, so the impact of profitability is coming due to multiple reasons. But in the future, as soon as the market stabilizes and these geopolitical issues are resolved, we are quite very confident that we will regain our profitability and come back to very healthy profitability. Yes. Thank you, Nitin ji.

Nitin Kaushik: Okay, sir. Sir, the next question is, sir, for example, if PM KUSUM Scheme 2.0 now gets announced, so in future would this PV module share as a percentage of revenue decline?

Vivek Gupta: No, look, if PM KUSUM 2 is definitely going to be announced, as I said. But as a strategy, the company has taken a call that the company will no longer be dependent on one scheme. So the company is focusing on multiple schemes and will move forward with that same agenda and focus so that the company has a contribution in different schemes, so that if any government



scheme is delayed for any reason, it doesn't have a major impact on our overall revenue or overall profitability. Yes. Thank you, Nitin ji.

Nitin Kaushik: That's it from my side. Thanks a lot.

Vivek Gupta: Thank you.

Moderator: Thank you. Next question is from the line of Puneet J from Zaveri and Co. Please go ahead.

Puneet J: Vivek ji, thank you very much for the opportunity. Sir, if you could shed some more light on the cash flow, it would be better because after the last quarter, you said that these receivable days of 157 days would decrease a bit, but they have increased. And you have mentioned that you received some cash flow and receivables on April 2nd, but primarily what is the reason for this delay?

And is it for any specific states? Because in your order book, Maharashtra and Uttar Pradesh have a larger share currently. But are your current receivable days for any specific states or are you seeing this issue broadly across states where agencies are a bit delayed in releasing the receivables?

Vivek Gupta: Okay. Thank you Puneet ji. Look, there are two things cash flow and receivables. So first, I would like to tell you about the cash flow. So, if we look at FY25, our cash flow was negative by around INR152 crores, which by December 2025, the cash flow was negative by around INR247 crores.

By the completion of Quarter 4, as per the books, our cash flow is negative by around INR70 crores. But the biggest thing that happened, Puneet ji, is that on March 31st the Maharashtra government made a payment of around INR116 crores, which was reflected in our books on April 2nd.

If this had been reflected in our books on the 31st, our cash flow, which is showing minus INR70 crores, would have been plus INR40 crores, number one point. Alone in the last fourth quarter, if this INR116 crores had come on the 31st, our cash flow would have been positive by around INR286 crores. So, this is because we received the receivables timely, so it has had a major impact. So, from the cash flow side, Oswal is very comfortable today, number one point.

Second, definitely since our major business in FY26 was with the Maharashtra government and Haryana, it was with all these states, but majorly Maharashtra government. And in the Maharashtra government, as I mentioned before, there were political elections in Maharashtra last year, plus the MSEDCL in Maharashtra did a project for the Guinness Book of World Records, due to which the entire department and everyone was engaged there for 2 or 3 months that was also a reason for the delay in payments.

So, due to multiple reasons, plus the Maharashtra government arranged funds from a third-party last year, AIIB Bank, which took a little time to complete. But as soon as all that happened, MSEDCL released major payments in Quarter 4, due to which the overall receivable time



improved, which was 157 days last year and has come to 152 days; so, it has improved from last year.

But even if we look at it as a routine matter, if we look at the tenders, it is between 152 to 160 days. Basically, we expect 90% payment in 120 days and after that, the 10% payment is in the next 120 days. So overall, when we count them cumulatively, 150 to 160 days is a routine this is the nature of the business.

And if we are getting payments in 150 to 160 days in this business, then as per our old expectations, we believe we are on the right track. Definitely, in PM KUSUM 2.0, the government is thinking of something even better; we are expecting some modifications in it, the kind of suggestions the industry has given to the government and the government is very, very positive about this. So, there we definitely expect the receivable cycle to be reduced by about 30 to 40 days. But all these things will become clear as soon as PM KUSUM 2.0 is announced. Yes. Thank you, Puneet ji.

Puneet J:

And sir, just one more question. You said just now that in H1, because PM KUSUM is delayed, you might see a decline. But your current order book of solar pumps is roughly 19,900 and last year you supplied roughly 87,000 solar pumps. So roughly 20% of last year's is your current order book. But that should generally be exhausted in Q1, right? So, do you have expectations that in the remaining quarter, you will get enough order book that you can show at least as much revenue as last year by the end of Quarter 2? Is that your expectation now?

Vivek Gupta:

Puneet ji, we are working very aggressively so that the company does not decline in revenue from FY26 in H1 in any way. But as a conservative side, practically what happens -- seeing today's a bit of uncertainty in execution, say geopolitical position as well or regarding some raw materials increase, we are assessing all these things a bit conservatively.

So, to be on the safer side, we assume that H1 might be a little affected or it might not be. It's not that it will definitely be affected, but it could be. But even if it is, I'm not worried because we are going to cover it very well in the whole year. In Q3 and Q4, if for an instance, some effect comes, we will cover it very effectively in Q3 and Q4. We are very sure about that. So, we are thinking a bit conservatively here, but we are working very hard, our team is fully engaged and aggressive on how to avoid a decline in revenue.

Sanjeev Sancheti:

And I just want to add here, Sanjeev here. One thing I would like to say is that apart from the firm order of 19,912 that we have in hand, we also have a solar pump pipeline of 25,000 pumps, which will also progressively become orders in the next 3 to 4 months. So, it's not that I am depending on two quarters for only 19,912 pumps; 19,912 is largely for the first quarter.

Puneet J:

Okay. Thank you, Vivek ji. Thanks a ton.

Vivek Gupta:

Thank you, Puneet ji.

Moderator:

Thank you. Next question is from the line of Karan Kamdar from Choice Institutional Equities. Please go ahead.



Karan Kamdar: Hello, sir. Thank you for the opportunity. Sir, I had a question on realization that as we are hearing that realizations are coming low in Magel Tyala, so what are the expectations in KUSUM 2.0 and what improvement is expected in realization going forward? That is my first question?

Vivek Gupta: Thank you Karan ji. Look, as I said, we did major business in Maharashtra and in Magel Tyala, earlier due to political elections or due to other reasons, payments were a bit delayed last year. But now MSEDCL is on track and Quarter 4 is its result too; in Quarter 4, MSEDCL made very healthy payments, due to which our overall cash flow has become positive and receivables have also become much better.

So, I think we don't expect much delay in MSEDCL payments going forward, number one point. And definitely, PM KUSUM 2 will come with a lot of modifications. There are many things in it that the government is making vendor friendly. The government wants more and more solarization in India, more and more pumps for farmers. So, all those schemes or the kind of facility is being planned such that it's a win-win position. So, in PM KUSUM 2 definitely the entire industry is expecting very well in terms of receivables and in terms of policy.

Sanjeev Sancheti: I will also like to add here, slightly unrelated, but just if you look at the situation to the geopolitical situation, I think the government is also clear that their requirement for solar energy or energy, you cannot depend on fossil fuel alone. And obviously, the alternate source is becoming even more important. It's just that this whole phase is slightly transitional; solar is going to come in a big way, KUSUM is going to come in a big way, it's just a matter of time.

Karan Kamdar: Sure sir. I agree on the solar part. I think KUSUM 2 will be very beneficial. Sir, I wanted to know if the prices, which are low now compared to before because costs have increased, will the prices also increase in line with the costs? That is the second question

Vivek Gupta: Look, definitely the prices have increased, input costs have increased. So, in the tenders that will come in PM KUSUM 2, definitely we are expecting that the tender prices should increase here; that's the hope of the whole industry. But definitely, because the number of participants is multiple people, some new people want to enter.

So, they desperately take some such calls somewhere that the price goes down; so, this becomes very tough, it's not in our hands. But in a broader way, if we look at the thought process, input costs have increased, challenges are bigger, all expenses are increasing. So, I have the thought process of the whole industry that tenders are going to come according to a fair value; this expectation is very strong.

Karan Kamdar: Got it, sir. Thank you. If I can ask one more question, sir. The numbers that have come in H2, and you're saying that H1 will be similar to FY26. So, do you mean H1 to H1 or H1 to H2 of FY '26? From where will we be able to calculate growth?

Vivek Gupta: H1, as I said H1 can be similar to FY26 or can be a decline from FY26 number one point. But overall, if we talk about the annual FY27, then definitely we are expecting a minimum growth



of 20% to 25% from there in the entire year. In which we have other business models, the diversified business from where we are getting very strong visibility, calculating all that.

But as the nature of business, government business also depends on such power projects, on PM KUSUM, so definitely I will be able to give you more visibility of the year-on-year this year. But quarter-on-quarter, I feel myself that I should walk conservatively in H1 this year to give you visibility. That's why.

Karan Kamdar: Got it, sir. Sir, one last question if I can. The funds we raised for the IPO for capex, all the capex is on track, any delays expected there?

Vivek Gupta: Absolutely, all capex is 100% on track. A little bit of a delay of 2 or 4 months happens sometimes in implementing the infrastructure, the practical infrastructure. Otherwise, everything is very much on track.

Karan Kamdar: Got it. Got it. Thank you so much, sir. All the best. Thank you.

Vivek Gupta: Thank you.

Moderator: Thank you. Next question is from the line of Prakhar Tibrewala from Choice Institutional Equities. Please go ahead.

Prakhar Tibrewala: Hello, sir. Thank you for the opportunity. Congratulations on a good set of numbers. Sir, my question is more focused on your solar panel and module Surya Ghar basically targeted business. So how much will be our bidding pipeline in that now? And a follow-up on that is, are its margins equal to our KUSUM pumps or more or less?

Vivek Gupta: Okay. Okay. Look, Prakhar ji, the biggest thing is that if I talk about the pipeline today, we are seeing a pipeline of around 300 megawatts, along with other activities that our team is working on, which we are seeing visibility of. In regarding profitability, so definitely today our first motto, since this is a strategic call, so our first motto is not just profitability.

We are also going to experience ourselves in multiple projects this year. Plus, the PM Surya Ghar or others, the good thing is that we will gain profitability because we have backward integration available to a great extent in that too. So, we are not very worried there. But after doing a complete practical experience, we will reach the original conclusion as to which project we should make futuristic and which project we should not make after getting all these practical experiences. That's why.

Prakhar Tibrewala: Okay, sir. That's it from my side. Thank you.

Vivek Gupta: Thank you, Prakhar ji.

Moderator: Thank you. Next question is from the line of Darshil Jhaveri from Crown Capital. Please go ahead.



- Darshil Jhaveri:** Hello. Good evening, sir. Thank you so much for taking my question. Sir, I just wanted to know that our order book is around 19,000, so if that gets exhausted in Q1, if our KUSUM doesn't come until Q1 or Q2, then how will the Q2 revenues be impacted? I mean, if the KUSUM scheme is announced, tenders will all come, we will analyze them, bid, so what is that timeline? If we just understand as a date that...
- Sanjeev Sancheti:** No, no, sorry. I just before Vivek ji answer, I want to just correct that the order in hand is about 19,000, but there is a pipeline of 25,000 which is again largely related to KUSUM and Magel-Tyala. So, it is not just those 19,000. So, I think part of the second quarter gets covered there. Rest I will leave Vivek ji to answer.
- Darshil Jhaveri:** Okay. Okay, sir. So fair enough, thank you for that clarification, sir. So, if just wanted to understand how the PM KUSUM timeline ramps up, I mean, suppose that now on June 1st PM KUSUM gets announced, so just as a hypothetical, when -- how will our timeline be? Tenders will come, we will analyze, bid, it will open, so what is the lead way for that, sir? Hello?
- Sanjeev Sancheti:** Vivek ji. Hello?
- Darshil Jhaveri:** Yes, sir.
- Sanjeev Sancheti:** No, I think the -- I fear that the other side the company line may have dropped. Can I request the moderator to see if you can just get them back? And maybe you will have to repeat the question, a part of it I have already answered.
- Darshil Jhaveri:** Yes, yes, fair enough, that part is helpful, sir. So just the second part would be, yes.
- Sanjeev Sancheti:** And we've also covered it in the -- in our presentation and opening remark, so you will be able to get it in the transcript as well in the presentation. I think maybe for some reason they would have got dropped.
- Vivek Gupta:** Hello?
- Darshil Jhaveri:** Hello.
- Vivek Gupta:** Darshil ji, will you please repeat your question?
- Darshil Jhaveri:** Yes, sir. So, part of my question got answered. I just wanted to know, suppose, if the PM KUSUM scheme is announced now from June 1st, so how much time will it take for us to receive the order? I mean, there will be a process, right? Tenders will come, we will analyze, apply, it will be released, we will get L1 or L2, whatever it will be, so what timeline remains? I mean, is it two months, three months? How much time for number one, we getting the order, and number two, our execution and revenue starting up?
- Vivek Gupta:** Okay. Look, we are expecting that this PM KUSUM 2.0 will be announced in the month of June, let's say. So practically, the numbers execution will start from Q3. I mean, in Q3 also, we are expecting from November that they will start executing practically. Before that, the call for



tenders, the entire execution part of tenders is finished within two months. Suppose they call for tenders in June, so maximum by August this call will happen. After that, the time remains to allot to state agencies.

So, on the safer side, we assume that by the end of September, we get the LOIs and so on. After that, we also need a little time for internal preparation. So that's why on the safe side in the execution side, we are talking about November onwards. So, in Q3, Q4, in good numbers, the execution will happen there. We are already doing a lot of preparation for that and we will keep it ready.

Darshil Jhaveri: No, no, fair enough. Sir, just my only question regarding that was, suppose if this opportunity, if even a little bit of delay comes, then our Q3 can also be impacted. If after June, because of the West Asia crisis, the government doesn't want to spend now or if their focus is somewhere else, so even a little bit of delay will come, then our Q3 can also see a little impact. Is that a correct understanding, sir?

Vivek Gupta: Look, if we talk on hypothesis, then your point is correct. But the way our PM also gave a speech, there also his focus is very clear that diesel, petrol consumption should be reduced, and this -- and in the Ministry too, it has come from the PMO that you demotivate the farmers who are operating on diesel as urgently as possible, solarize them.

So now we cannot expect any kind of delay, and the government is now more aggressive about renewable energy seeing this geopolitical situation. And there the government feels that most because our country is an agriculture-based country, the largest major population is of agriculturists, and our economy is also agriculture-based.

So, this is a -- for the government; it's one of the biggest -- it's a very big positive point; this is such a scheme. So, I think now the question of delay is not there; even it will be coming in a very, very more aggressive way. And the indications we've had from the last six to seven days, very aggressive indications have come. So that's why we are very, very confident that this is going to go to a very good level and in a very aggressive way.

Darshil Jhaveri: Okay, thank you sir. Fair enough, yes. That's it from my side. Thank you so much, sir.

Vivek Gupta: Thank you.

Moderator: Thank you. Next question is from the line of Nitin Babulal Gandhi from Inoquest Advisors Private Limited. Please go ahead.

Nitin Gandhi: Yes, thanks for taking my question. Could you tell me what was the cost of the debt we repaid, the INR311 crores?

Vivek Gupta: I didn't understand, sir. What?

Nitin Gandhi: Out of the IPO proceeds, we repaid INR311 crores of debt, right?



- Vivek Gupta:** Okay, debt repayment. Of course.
- Nitin Gandhi:** So, what was its cost to us?
- Vivek Gupta:** Our listing of the IPO happened on June 20th. If we talk about the cost of debt or repayment of debt?
- Nitin Gandhi:** Cost of debt.
- Vivek Gupta:** Cost of debt, okay. It was around 9% cost at that time. 8.5% to 9% approximate cost.
- Nitin Gandhi:** Okay. And the second, the INR200 crores from the IPO proceeds that were for general corporate, how much of that was used in working capital?
- Vivek Gupta:** We used the entire money in working capital.
- Nitin Gandhi:** Okay. And now that our expansion is happening and the subsidiary investment is happening, so what can be our potential peak turnover from that? Maybe in '29?
- Vivek Gupta:** Okay. Look what we had originally planned -- because we are a prominent supplier in PM KUSUM 2.0, so we are expecting its business at a very large level too. At that same level, we enhanced our capacity to 2.1 gigawatts. So definitely, we are expecting a CAGR of around 30% to 40% in the coming years. So, we are absolutely intact on that.
- This year, the present year FY27, this year is a little challenging because it's getting delayed. Otherwise, in the coming years, we don't see any kind of challenge. By then, in fact, if we look at the thought process of six months ago or five months ago, at that time our mode was not very aggressive in the diversified business, which is today.
- So, I think the growth between 30% to 40% that we are seeing next year, we will achieve that easily, maybe more than that. So, I don't see any kind of gap there.
- Sanjeev Sancheti:** No, his question is different, Vivek ji. He is saying that when our expansion is done, how much maximum revenue will we be able to do from that capacity? His question is not how much revenue we will do according to our demand; he's saying what is the peak turnover in this capacity.
- Sanjeev Sancheti :** So that's what I'm saying. So, we -- in the scheme of things of what we are doing and what we have presently both on the pump and the solar module segment, I think we—Udit, you can correct me if I'm slightly off, but I think 6,500, 6,000 is what we can absolutely do. Or maybe more.
- Nitin Gandhi :** From the current capacity of 2,600-2,800 existing, with expansion, it can go up to 6,500.



Sanjeev Sancheti : It's very simple. We are increasing our pump capacity by about two and a quarter time, and modules are obviously going up by almost two and a half to three times. Yes. So that will give me a 6,000 plus top line without adding any further capacity expansion.

Nitin Gandhi: Okay. And what risk do we have if this KUSUM -- now whatever supply chain disruption is there and price escalation is happening -- can margins go below 22%? Because if 20%-22% is there, then five months of working capital is being used, so maybe no one will even work below that, right?

Vivek Gupta: Look, Nitin ji, one thing -- the geopolitical situation that has been created today, I think no one was able to expect that such a thing would happen. So today, it is very difficult to say what such uncertainty will come in the future. But if we assume for a minute that the situation today remains, and this situation doesn't even remain, that there is a bit of stability of the geopolitical situation.

Then we are very sure that our profit margins will increase from here instead of decreasing because fundamentally everything is very aligned, backward integration is aligned, those capacities are increasing, and even our team is doing value engineering very aggressively on other things. So those things are very aligned.

But the situation which is external, which is beyond our control -- so definitely that also creates such a situation where your input costs absorb and increase, which are beyond your control. But its effect cannot be only on Oswal Pumps Limited; it will be on the entire industry.

Sanjeev Sancheti: And also, most of it is transitional, so you may see impact for a quarter or two, but I don't think some of these are really permanent. Most of these are transitional.

Nitin Gandhi: Right, sir. And do we have any such thought that this much market share should remain ours in this KUSUM, we will bid according to that, is there any such thought or strategy?

Vivek Gupta: In PM KUSUM -- Nitin ji, the company has given a lot of its time in PM KUSUM to build its expertise, to build its network, and our entire infrastructure is involved. So definitely, look, today the volume is increasing; earlier when the volume was less, then it was a matter of what the share should be. Today the matter is how much your business should be.

So, since we are expecting a big business in PM KUSUM 2.0, overall, the government is also thinking big. So definitely the targets we have for growth, we expect that we will get that anyway because we are available to the very root, and the availability of number of pumps installation and everything and infrastructure is very good with us. So that we can definitely we are going to get that. There doesn't seem to be any challenge there.

Nitin Gandhi: Can you share any numbers as to what percentage share will be ours?

Vivek Gupta: It all depends on what quantum is going to come, how it's going to come. Based on that, we will be able to talk about any quantum. But I can say that whatever the rumours are, the rumours are of multiples. That's why giving a statement about an exact figure is a bit difficult. Right. Yes.



Nitin Gandhi: Okay, sir. All the best.

Vivek Gupta: Thank you, Nitin. Thank you very much.

Moderator: Thank you. Next question is from the line of Hardik from HPMG. Please go ahead.

Hardik: Hi sir, congratulations on a good set of numbers am I audible?

Vivek Gupta: Hi. Hardik.

Hardik: So, the question was on the lines of first that, is it correct we are entering into the solar inverter space?

Vivek Gupta: Yes. Definitely, look, our team is already doing good work in electronics in solar pumping. So, our internal team has also started working on solar inverters, because we are entering rooftop. So simultaneously, we have started internal work on inverters too. So, we are a little very hopeful that in the coming future, we will bring this product into our basket too.

Hardik: Right. So, is it a back, end-to-end product or is it more of an assembly work which we will be doing?

Vivek Gupta: No. Starting, if we talk about in coming few months, we are going to start with assembly. But parallelly, as I said, our team has started working aggressively on its electronics, its software, its hardware. So, we are quite very sure that end-to-end, within next six months to seven months, we will start its internal production.

Hardik: Right, sir. But from what I've seen in the market and heard from other people, other players, the segment is very cut-throat. Most of the players are facing extensive competition from Chinese players and bottom line also, I think they are just breaking even on the cash front. So, what are your thoughts on that? Will this be dragging our margins in the near future?

Vivek Gupta: You're talking about inverters specifically?

Hardik: Yes, sir.

Vivek Gupta: Look, definitely. But our point is that we are taking the inverter as a part of backward integration; it's an input item from our entire projects. So, we are not taking the inverter as a solo sale model. We are seeing it as a facilitation for ourselves, as has been our old strategy with all our backward integrations; we have never made them a revenue model.

We have made them our backward integration in terms of supply chain, to control the quality as well as profit enhancement. This is all our motto. In the same way, we are planning in inverters that the inverter, since it's going to go into our entire projects, we are going to use it ourselves, so it will be the part of that entire project.

Hardik: Right, so it will be like a package deal?



Vivek Gupta:

Yes, package. And second, look, with inverters, our controlling factor increases a lot in terms of quality, data, and definitely it will give us some input. Since we are working very well in inverters, we are quite very sure that we are going to get some profitability too; it's not that we won't get profitability.

So, it's a sort out all type of complete to capture all the basket. I mean, where we have the supply chain also in control, our quality is also our, how we can give a better thing to our customer by doing R&D, that is also there. So, in this way, if we look at the whole basket, then we are in a plus position. We will be in a plus position.

Hardik:

Right, right sir. And the second question was on those same lines that when will you launch this product, when will revenue start kicking in? And second, again on the same lines, assuming this KUSUM 2.0 doesn't come for the near, at least for the one or two quarters, right? And there is a slow, assuming there is a slowdown on the other individual state capex, right?

So, if we keep the entire pump revenue aside, so from the PM Surya Ghar Yojana and any other schemes what we are targeting, what kind of base revenue excluding pump we are looking on a quarterly basis?

Vivek Gupta:

Look, if we talk on hypothesis that the PM KUSUM YOJANA scheme is very delayed, which expectation is next to zero, still let's assume. So, if we talk other than pump, then definitely we are focusing in many places, like we are also focusing a lot on export this time, we are also trying to enhance our private network and will do that.

Simultaneously, as I mentioned, PM Surya Ghar. So, we are entering PM Surya Ghar in government projects as well and in private business as well. So, from there too, we will definitely bring revenue. So, if PM KUSUM is not there, then definitely once, there can be a bit of a hit on our revenue; I will definitely not deny this.

But one thing is very clear: as a fundamentally, Oswal is very strong. And Oswal has a very strong team fundamentally, financial is also very strong, and infrastructure as well as network, all these strengths are already with Oswal. So, there can be a temporary turbulence in business; for that, our team is not demotivated anywhere, the team is not in this kind of thing that if temporarily we have some kind of turbulence, then we will have a negative thought.

No problem, it's a part and parcel of business that if there is a little temporary decline in business, no problem. We have very big plans in the long run, we are very optimistic and confident there too that we will go into a good revenue, good profitability, good market scenario, diversified and all kinds of business. Because the risk factor with Oswal is at least in terms of fundamentally is very low.

Hardik:

Right sir, but my question was not on that line. Question was more from, if we leave pump, even leave export pumps. So, pump as a whole segment leave, right? So, if we combine PM Surya Ghar Yojana, solar panel sales, solar panel installation, and inverter. All this combined, on an average what run rate will be our quarterly basis?



Vivek Gupta: Well, as I told you, we want to grow very fast in this segment. But since this is going to be our first year, our experiences are also going to work here, what experiments we are going to experience in every tender, in every market. After that, how aggressive a call we will have to take in that field. So, I cannot say exactly how much revenue we will be able to do in these fields today exactly, because these are all my new fields.

Hardik: Some, like your ballpark will be there that our target is that let's say in the first year INR100 crores to INR200 crores?

Vivek Gupta: This year, ballpark, I am expecting a business of around INR1,000 crores in this direction this year. Approximately. I am easily expecting from this business. For this, we have a very clear vision which is visible. Now practically, what experiences are going to happen in implementing it in the system, which one we are going to choose more, that's a different matter. But we are seeing this much clear visibility.

Hardik: Right, that's it from mine. All the best sir, thank you.

Vivek Gupta: Thank you. Thank you.

Moderator: Thank you. That was the last question of the day. I now hand the conference over to management for closing comments.

Sanjeev Sancheti: Thank you everybody. On behalf of management, I would like to thank everybody and would like to hand over the call for the closing remark to Vivek Ji.

Vivek Gupta: Thank you very much. The trust you all have placed in Oswal Pumps Limited, we are very assured that the company, its team, will move forward with full dignity and with your full confidence, and this is our assurance. Thank you very much. Thank you all of you.

Moderator: Thank you. On behalf of the Oswal Pumps Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.