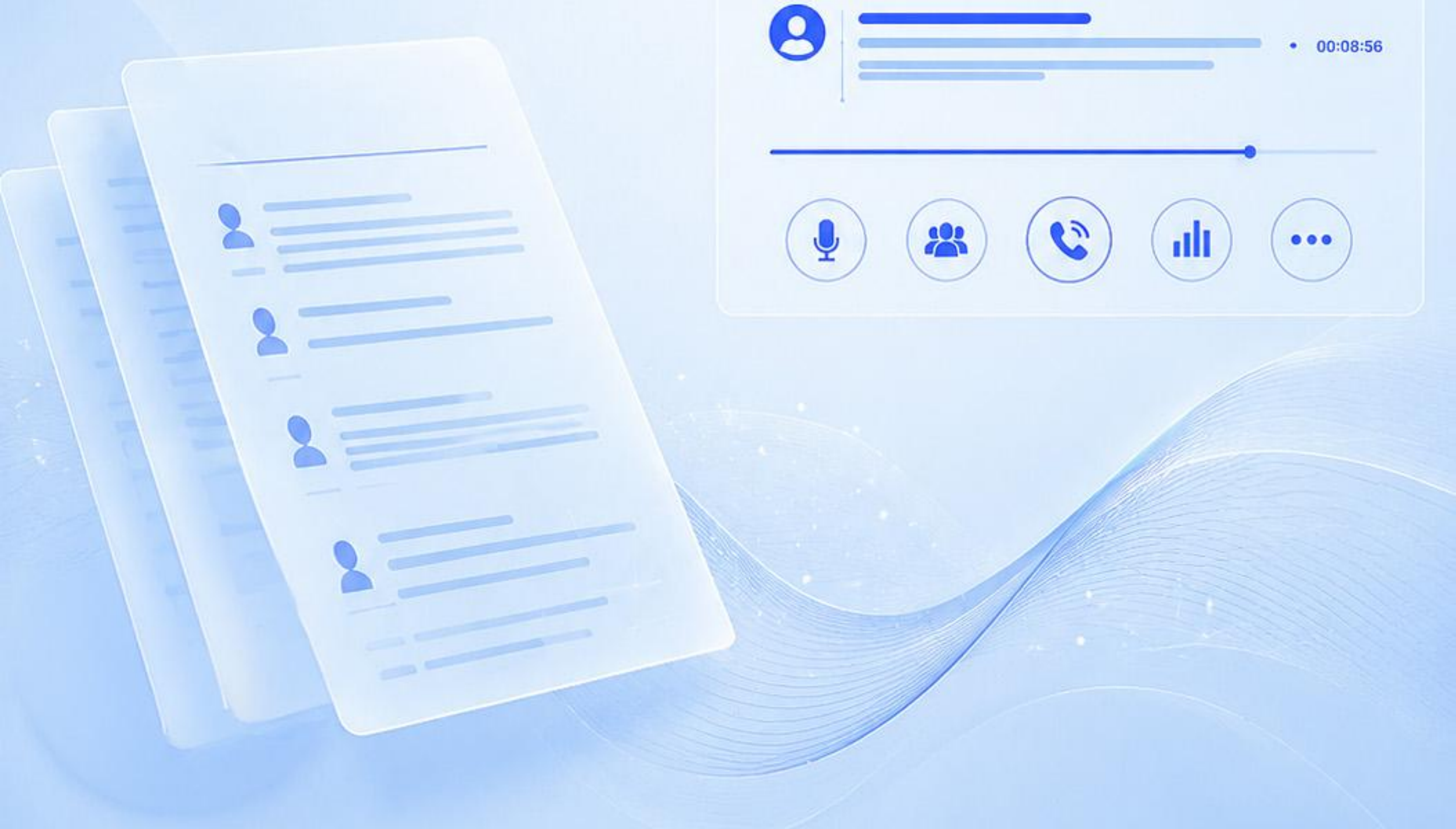
Choice
Institutional Equities

TRANSCRIPT PULSE

Industrials – Solar Pumps

August 11, 2026



SHAKTI
PUMPING LIFE

Quality, Reliability, Excellence
OSWAL
PUMPS

Shakti Pumps

BUY

Sector View: Neutral

August 11, 2026 | CMP: INR 510 | Target Price: INR 640

SHAKTI PUMPING LIFE

[Q1FY27 Conference Call Transcript]

Actual vs CIE Estimates			
INR Bn	Q1FY27A	CIE Est.	Dev.%
Revenue	8.6	7.0	23.2%
EBITDA	0.8	0.7	26.4%
EBITDAM %	9.6%	9.4%	25 bps
PAT	0.5	0.2	106.9%

Source: SKPI, Choice Institutional Equities

Particulars (INR Mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)
Revenue	8,587	6,225	37.9%	8,578	0.1%
COGS	6,291	3,962	58.8%	6,320	(0.5%)
Gross Profit	2,296	2,263	1.5%	2,258	1.7%
Employee Cost	400	297	34.5%	361	10.8%
Op. Exp.	1,068	530	101.3%	1,065	0.2%
EBITDA	829	1,435	(42.3%)	832	(0.3%)
EBITDAM (%)	9.6%	23.1%	(1,340)bps	9.7%	(4)bps
Depreciation	76	61	25.3%	87	(13.3%)
Other Income	103	19	438.5%	97	6.6%
Interest	146	98	49.3%	179	(18.6%)
PBT	711	1,296	(45.2%)	662	7.3%
Tax	195	328	(40.7%)	279	(30.2%)
Adj. PAT	516	968	(46.7%)	383	34.6%
EPS (INR)	4.2	7.8	(46.7%)	3.1	34.6%

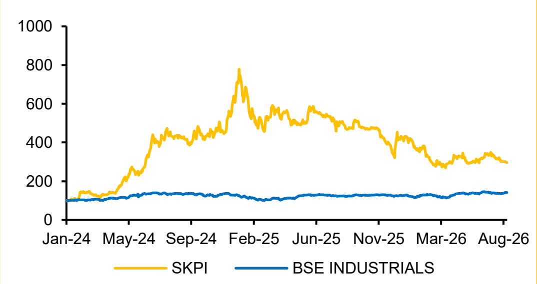
Source: SKPI, Choice Institutional Equities

Key Financials					
INR Bn	FY25	FY26	FY27E	FY28E	FY29E
Revenue	25.2	27.0	32.6	39.8	49.8
YoY (%)	83.6%	7.2%	21.0%	22.0%	25.0%
EBITDA	6.0	4.2	5.3	7.1	10.3
EBITDAM %	24.0%	15.6%	16.4%	17.8%	20.7%
Adj PAT	4.1	2.6	3.1	4.0	6.6
EPS (INR)	33.1	20.9	24.8	32.1	53.5
ROE %	42.6%	18.0%	16.5%	18.1%	24.4%
ROCE %	36.4%	15.4%	11.4%	11.8%	17.1%
PE(x)	29.6x	24.4x	26.0x	19.4x	12.5x
EV/EBITDA (x)	20.1x	14.5x	15.3x	11.3x	8.2x
Net Debt/Eq. (x)	(0.0)	(0.1)	0.3	0.3	0.2

Source: SKPI, Choice Institutional Equities

Shareholding Pattern (%)			
	Dec-25	Mar-26	Jun-26
Promoters	50.3	50.4	50.4
FII	5.3	4.8	5.1
DII	6.3	5.0	2.4
Public	38.0	39.8	42.1

Relative Performance (%)			
	6M	1Y	2Y
BSE Industrials	10.1%	16.1%	6.1%
SKPI	-22.3%	-38.6%	-31.3%



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Key Conference Call Highlights

Margins:

- Management attributed the YoY EBITDA decline to two drivers: lower sales price realisation (~4%) and raw material inflation (~6%)
- Pressure characterised as temporary and external rather than structural; recovery guided as gradual on a quarter-on-quarter basis.
- Full backward integration across both plants indicated to add ~300 bps at the EBITDA level.
- Realisation per solar pump flat sequentially at ~INR 248,000
- No hedging position on steel, copper or aluminium, as the increase in price is viewed as transient.

Order book: two-quarter visibility, partly contingent on unbooked inflow

- The INR 10 Bn order book is executable over the next two quarters.
- Further state orders expected by end of Q2FY27E; Maharashtra tenders under process, MP and Rajasthan progressing.
- On pricing: Component B operates as a rate contract with the farmer as decision maker, where brand and quality drive selection.

Capex and funding: programme fully identified

- Total CapEx of INR 15–17 Bn to complete by September 2027, ~50% already deployed.
- 0.5 GW DCR module facility on track for September 2026; 2.2 GW integrated DCR cell and module project for September 2027.
- Working capital lines of ~INR 18 Bn across ~10 banks including one Qatari lender; separate term loan of ~INR 8 Bn sanctioned for the 2.2 GW project.
- Ongoing expansion across pumps, motors, VFDs and solar structures; vendor policy of 2–3 suppliers per product.

Emerging businesses

- Rooftop: INR 80 Mn vs INR 20 Mn YoY. Registered as brand owner under PM Surya Ghar; customer feedback indicates ~10% better generation from SPIL inverters. Targeting ~15% EBITDA post in-house modules and cells, positioned as the only fully integrated rooftop service provider once the 0.5 GW plant commissions.
- Retail sales: INR 240 Mn, supported by dealer network expansion.
- EV: in trial order phase; revenue contribution expected FY28.
- Exports: broadly flat YoY despite geopolitical disruption, with order inflow at ~INR 1 Bn per quarter.

[Click here to read Q1FY27 Result Update]

Oswal Pumps

ADD

Sector View: Neutral

August 11, 2026 | CMP: INR 306 | Target Price: INR 340

Q1FY27 Conference Call Recording

Actual vs CIE Estimates			
INR Bn	Q1FY27A	CIE Est.	Dev. (%)
Revenue	4.7	4.8	(1.1%)
EBITDA	0.7	1.1	(33.3%)
EBITDAM %	15.7%	23.3%	(760)bps
PAT	0.5	0.7	(23.3%)

Source: OSWALPUM, Choice Institutional Equities

Particulars (INR Mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)
Revenue	4,736	5,139	(7.9%)	5,097	(7.1%)
COGS	3,175	3,070	3.4%	3,139	1.2%
Gross profit	1,560	2,069	(24.6%)	1,959	(20.3%)
Employee cost	251	215	16.9%	214	17.4%
Op. Exp.	566	447	26.6%	564	0.3%
EBITDA	743	1,408	(47.2%)	1,181	(37.0%)
EBITDAM (%)	15.7%	27.4%	(1,169)bps	23.2%	(747)bps
Depreciation	56	38	49.9%	44	27.2%
Other income	81	11	652.1%	69	17.1%
Interest	84	130	(35.3%)	95	(11.6%)
PBT	684	1,251	(45.3%)	1,118	(38.8%)
Tax	145	309	(53.2%)	199	(27.5%)
Adj. PAT	541	947	(42.8%)	925	(41.5%)
EPS (INR)	4.7	8.3	(42.8%)	8.1	(41.5%)

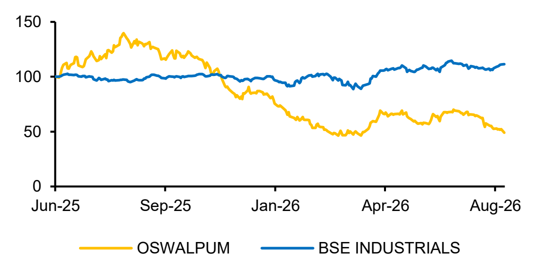
Source: OSWALPUM, Choice Institutional Equities

Key Financials					
INR Bn	FY25	FY26	FY27E	FY28E	FY29E
Revenue	14.3	20.6	19.9	24.5	30.7
YoY (%)	88.6%	44.3%	(3.4%)	23.0%	25.2%
EBITDA	4.2	5.1	3.7	5.6	7.8
EBITDAM %	29.4%	24.9%	18.7%	22.7%	25.5%
Adj PAT	2.8	3.8	2.3	3.6	5.3
EPS (INR)	24.6	33.0	20.3	31.7	46.3
ROE %	87.5%	35.1%	12.9%	17.2%	20.8%
ROCE %	58.4%	32.1%	13.5%	17.2%	21.3%
PE (x)	NA	9.3x	15.1x	9.7x	6.6x
EV/EBITDA (x)	NA	6.5x	9.2x	6.1x	4.2x
Debt/Equity (x)	1.0x	(0.1x)	(0.0x)	(0.0x)	(0.1x)

Source: OSWALPUM, Choice Institutional Equities

Shareholding Pattern (%)			
	Dec-25	Mar-26	Jun-26
Promoters	75.7	75.7	75.7
FII	2.6	0.9	0.1
DII	8.8	6.6	5.5
Public	12.9	16.9	18.9

Relative Performance (%)			
	6M	1Y	2Y
BSE Industrials	10.1%	16.1%	6.1%
OSWALPUM	-18.8%	-60.5%	NA



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Key Conference Call Highlights

Capacity Expansion & Capex (total outlay: INR 3.6 Bn)

- 1 GW solar module capacity: Investment completed; commercial production to commence in the second week of September.
- Balance capex to be deployed across backward integration and pump capacity; funded largely through internal accruals and IPO proceeds.

Revenue & Growth Outlook

- FY27 projected to remain turbulent due to policy uncertainty and geopolitical headwinds.
- Management guides for 20% revenue growth for the full year FY27.
- Q2FY27 growth expected at a more muted 10–15% YoY, with the H2 inclination driving the full-year number.

Profitability

- Margin contraction driven by three factors: aggressive competitive bidding in Magel Tyala, elevated raw material cost and higher employee cost from annual increments plus senior-level hiring.
- EBITDA margin bridge: 8–9% impact from Magel Tyala competitive bidding, 3–3.5% from raw material costs, and 1–1.5% from negative operating leverage.
- FY27 guidance: EBITDA margin of 15–17% and PAT margin of 11–13%.
- As industry-wide margin is compressed, the sector is anticipating relief on realisation alongside some pricing benefit from suppliers.
- PM Surya Ghar margin is lower than PM-KUSUM; mix shift between the two schemes will drive margin optics.

Cash Flow & Working Capital

- Net debt stood at INR 2.66 Bn as of 30 June 2026.
- Receivable days stretched to 229 days on delayed government payments.

New Initiatives

- Solar inverter manufacturing to be brought in-house within 6 months, adding a further leg of backward integration.
- Evaluating entry into wires and cables; to be introduced to channel partners to gauge demand before committing capacity.

Click here to read Q1FY27 Result Update

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Choice Rating Distribution & Methodology	
Large Cap*	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
Other Ratings	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
Sector View	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

***Large Cap: More Than INR 20,000 Cr Market Cap**
***Mid & Small Cap: Less Than INR 20,000 Cr Market Cap**

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KARAN KAMDAR

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