

TRANSCRIPT PULSE

**Industrials –
Solar Pumps**
May 26, 2026



SKPI: Awaiting KUSUM 2.0 for Margin Recovery

ADD

May 26, 2026 | CMP: INR 511 | Target Price: INR 640 | Upside: 25.2%

Sector View: Neutral



Q4FY26 Conference Call Transcript

Actual vs CIE Estimates			
INR Bn	FY26A	CIE Est.	Dev.%
Revenue	27.0	25.8	4.4%
EBITDA	4.2	4.9	-14.2%
EBITDAM %	15.6%	19.0%	-337bps
PAT	2.6	3.4	-23.4%

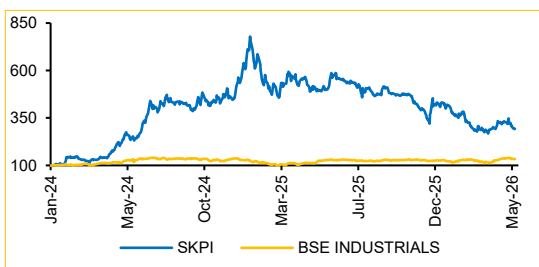
Particulars (INR Mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
Revenue	8,578	6,653	28.9%	5,510	55.7%
COGS	6,320	4,183	51.1%	3,916	61.4%
Gross Profit	2,258	2,470	-8.6%	1,594	41.7%
Employee Cost	361	274	31.9%	409	-11.7%
Op. Exp.	1,065	557	91.3%	595	79.1%
EBITDA	832	1,639	-49.3%	590	40.9%
EBITDAM (%)	9.7%	24.6%	-1495bps	10.7%	-102bps
Depreciation	87	54	62.8%	69	27.4%
Other Income	97	44	118.5%	77	26.0%
Interest	179	128	40.1%	181	-1.2%
PBT	662	1,502	-55.9%	418	58.5%
Tax	279	400	-30.3%	101	177.1%
Adj. PAT	383	1,102	-65.2%	317	20.9%
EPS (INR)	3.1	9.2	-66.1%	2.6	20.9%

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	24.5x	20.6x	15.9x	9.6x
EV/EBITDA (x)	20.1x	14.5x	12.7x	9.8x	6.4x
Debt/Equity (x)	(0.0)	(0.1)	0.2	0.3	0.1

Source: SKPI, Choice Institutional Equities

Shareholding Pattern (%)			
	Sep-25	Dec-25	Mar-26
Promoters	50.3	50.3	50.4
FIIs	5.6	5.3	4.8
DIIIs	6.7	6.3	5.0
Public	37.4	38.0	39.8

Relative Performance (%)			
	6M	1Y	2Y
BSE Industrials	3.1%	7.0%	7.1%
SKPI	-28.4%	-41.2%	12.1%



Key Conference Call Highlights

Demand & Outlook:

- PM-KUSUM 2.0 is highly anticipated, government effort towards the new scheme is underway
- Solar cell and solar inverter business to unlock new market under PM Suryaghar Yojna

Industry & Positioning:

- Market leader; installed 87,000 solar pumps in FY26; 28,000 in Q4FY26 alone
- Solar rooftop business expected to improve, as inverters have 10% better efficiency as compared to peers
- Increasing distributors internationally. Sales in over 130 countries, focusing on improving exports

Growth Drivers:

- PM-KUSUM expected to be renewed with a larger outlay. SKPI expects announcement by end of Q1FY27E

Operations & Trends:

- Raw materials, such as copper, stainless steel and silicon sheets affected margin. Lower realization due to MTSKPY affected margins by ~4% points
- RM volatility short lived, management expects margin expansion, going forward. Company is not bidding for orders with unfavourable margins
- Management expecting 2–3% margin improvement due to operational leverage. Exports margin is 10% higher than domestic margin

Expansion & Execution:

- Managements guides for completion of pump-manufacturing and 0.5 GW module manufacturing by Q2FY27E
- Further, 2.2 GW solar cells manufacturing to be operational by FY28E

[Click here to read Q4FY26 Result Update](#)

OSWALPUM: No Change in View, Catalyst Awaited

BUY

May 26, 2026 | CMP: INR 361 | Target Price: INR 450 | Upside: 24.7%

Sector View: Neutral



Q4FY26 Conference Call Transcript

Actual vs CIE Estimates			
INR Bn	FY26A	CIE Est.	Dev.%
Revenue	20.6	20.4	1.2%
EBITDA	5.1	5.0	2.1%
EBITDAM %	24.9%	24.7%	20 bps
PAT	3.8	3.5	7.6%

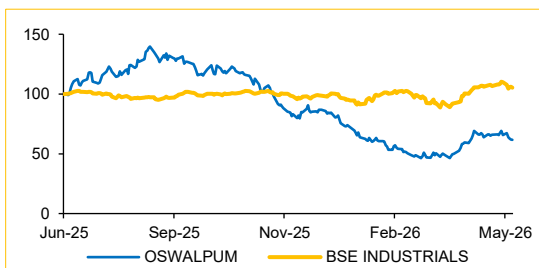
Particulars (INR Mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
Revenue	5,097	3,646	39.8%	5,011	1.7%
COGS	3,139	2,168	44.8%	3,040	3.3%
Gross profit	1,959	1,478	32.5%	1,971	(0.6)%
Employee cost	214	169	26.5%	213	0.3%
Operating expenses	564	321	75.7%	487	15.7%
EBITDA	1,181	988	19.5%	1,271	(7.1)%
EBITDAM (%)	23.2%	27.1%	(393)Bps	25.4%	(219)bps
Depreciation	44	44	0.9%	44	1.4%
Other income	69	9	670.6%	67	4.3%
Interest	95	132	(28.1)%	83	15.0%
PBT	1,118	822	36.0%	1,192	(6.2)%
Tax	199	193	3.3%	285	(29.9)%
Adj. PAT	925	641	44.4%	916	1.1%
EPS (INR)	8.1	5.6	44.4%	8.0	1.1%

Key Financials					
INR Bn	FY25	FY26	FY27E	FY28E	FY29E
Revenue	14.3	20.6	21.4	26.5	33.3
YoY (%)	88.6%	44.3%	3.9%	23.6%	25.7%
EBITDA	4.2	5.1	5.3	6.7	9.0
EBITDAM %	29.4%	24.9%	24.9%	25.4%	26.9%
Adj. PAT	2.8	3.8	3.4	4.4	6.0
EPS (INR)	24.5	32.7	30.2	38.7	52.9
ROE %	86.9%	34.8%	18.7%	19.8%	21.9%
ROCE %	40.0%	26.4%	16.5%	18.4%	21.7%
PE (x)	NA	11.0x	11.9x	9.3x	6.8x
EV/EBITDA (x)	NA	7.6x	7.5x	5.8x	4.2x
Debt/Equity (x)	0.7x	0.1x	0.1x	0.1x	0.1x

Source: OSWALPUM, Choice Institutional Equities

Shareholding Pattern (%)			
	Sep-25	Dec-25	Mar-26
Promoters	75.7	75.7	75.7
FIs	3.8	2.6	0.9
DIs	9.8	8.8	6.6
Public	10.8	12.9	16.9

Relative Performance (%)			
	6M	1Y	2Y
BSE Industrials	3.1%	7.0%	7.1%
OSWALPUM	-40.7%	NA	NA



Key Conference Call Highlights

Capacity Expansion & Capex (Total outlay: INR3.6 Bn):

- The company is ramping up its solar module capacity, from the current 600 MW to 2.1 GW in phases — 1 GW to be completed by Q1FY27 and the remaining 0.5 GW by Q3FY27
- Backward integration is under way with EVA encapsulant and aluminium extrusion lines being added by the end of FY27E
- Investments in the pumps and motors segment for automation and capacity enhancement are targeted for completion by Q3FY27E

Revenue & Growth Outlook:

- Management has guided for a soft H1FY27E, with revenue likely to be equal to H2FY26, owing to a gap before KUSUM 2.0
- Growth is expected to be back-ended, with a strong H2FY27E recovery led by KUSUM 2.0 scheme.
- Despite the weak first half, full-year FY27E revenue growth is guided at 20–25%. Peak revenue potential is pegged at INR 65 Bn

Profitability:

- FY27E PAT margin guidance stands at 15–17%, indicating a reasonable profitability retention despite near-term revenue headwinds

Cash Flow & Working Capital:

- Receivable days currently stand at 150–160 days
- Maharashtra (MSEDCL) was the major source of payment delays due to state elections and third-party funding issues but is now back on track and healthy payments are expected from Q4FY26
- PM Kusum 2.0 will bring further clarity on receivables, reducing to 30–40 days due to vendor-friendly modifications in the scheme

New Initiatives:

- The company is entering the solar inverter segment, starting with assembly operations, signalling the company's intent to move up the value chain and diversify its product portfolio

[Click here to read Q4FY26 Result Update](#)

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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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