

**1Lattice**



## **ECD, Agriculture equipment and ODM industry report**

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# TABLE OF CONTENTS

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## 1. Macroeconomic Scenario

- 1.1. Global real GDP is projected to grow at a CAGR of ~ 3.1% from CY24-29, while India's economy is expected to expand at a robust CAGR of 6.5% over the same timeframe
- 1.2. India's per capita income stood at ~US\$ 2.71K in CY24 and is expected to reach ~US\$ 4.09K by CY29
- 1.3. The working-age demographic, encompassing individuals aged 15-64, has consistently represented a significant majority between CY18-24
- 1.4. Global median age is expected to increase to 32 years by 2030 from 30.5 years in CY23, while India's median age is expected to be 30.9 years in CY30
- 1.5. Share of the urban population in India as percentage of the overall population is expected to rise from 37.00% in CY24 to 40.00% in CY29
- 1.6. Key growth drivers for rural economy growth

## 2. Overview of ECD industry in India

- 2.1. Overview of Pumps Industry in India
  - 2.1.1. The Indian pump market was INR 380.52B in FY25 and is expected to reach INR 591.92B by FY30, growing at a CAGR of 9.24% during the period
    - 2.1.1.1. Indian pump industry is segmented into agricultural, industrial, and residential pumps; Industrial pumps segment is projected to experience the fastest growth among all categories, with a robust CAGR of 11.84% over the forecast period
    - 2.1.1.2. The Indian submersible pump market is expected to grow at a CAGR of 10.62% during FY25-30, reaching INR 330.63B in FY30
    - 2.1.1.3. The Indian centrifugal pump market is valued at INR 79.49B in FY25 and is expected to grow at a CAGR of 7.35% during FY25-30, reaching INR 113.31B by FY30
    - 2.1.1.4. The Indian monoblock pumps market is expected to grow at a CAGR of 9.08% during FY25-30, from INR 47.69B in FY25 to INR 73.65B in FY30
    - 2.1.1.5. The Indian self-priming pumps market is expected to grow at a CAGR of 20.63% during FY25-30, from INR 58.23B in FY25 to INR 148.74B in FY30
    - 2.1.1.6. The Indian multistage submersible pumps market is expected to grow at a CAGR of 28.15% during FY25-30, from INR 71.74B in FY25 to INR 247.97B in FY30
    - 2.1.1.7. Indian solar pump market was valued at INR 164.48B in FY25 and is expected to grow at a CAGR of 10.58% between FY25-30, expected to reach INR 271.14B by FY30
  - 2.1.2. Export scenarios of pumps
  - 2.1.3. Market drivers and restraints
    - 2.1.3.1. Growth drivers of pump market in India
    - 2.1.3.2. Silver Pumps specializes in the comprehensive manufacturing process of pumps and plans to add in-house production of solar panel and controller
    - 2.1.3.3. Advantages of having full control over the value chain
    - 2.1.3.4. Key risks and challenges faced by pumps industry
  - 2.1.4. Customization vs standardization of pumps
  - 2.1.5. Indian pump market's B2B segment dominates the market in both FY25 and FY30, contributing majority of the revenue
  - 2.1.6. Overview of solar PV module
    - 2.1.6.1. Overview of the global solar energy industry
    - 2.1.6.2. Overview of the Indian solar energy industry
    - 2.1.6.3. Annual solar module demand in India was 29.80 GW in FY25 is expected to reach 106.52 GW by FY30, growing at a CAGR of 29.20% during FY25-30
    - 2.1.6.4. India's solar module export and import trends
    - 2.1.6.5. Risks & challenges
- 2.2. FMEG market
  - 2.2.1. Indian FMEG market size and segmentation by product type (FY19-30)
    - 2.2.1.1. Indian lighting market was valued at INR 420.19B in FY25, expected to grow at CAGR of 10.25% during FY25-30, to reach INR 684.58B by FY30

- 2.2.1.2. Indian switchgear market valued at INR 331.59B in FY24, expected to grow at a CAGR of 7.12% during FY25-30
- 2.2.1.3. Indian fan market was valued at INR 165.60B in FY25, expected to grow at a CAGR of 9.70% during FY25-30, reaching INR 261.06B by FY30
- 2.2.2. Sector Outlook
  - 2.2.2.1. Per capita electronics consumption increasing and government initiatives
  - 2.2.2.2. Characteristics of FMEG sector
  - 2.2.2.3. Market drivers and restraints
  - 2.2.2.4. Indian manufacturing ecosystem
  - 2.2.2.5. Risk and challenges along with potential mitigants
- 2.3. Other appliances market growing from INR 410-10B to INR 915.05B between FY25 to FY30
  - 2.3.1. Indian air conditioner market was valued at INR 350.07B in FY25 and is projected to grow at a CAGR of 18.71% during FY25-30, rising temperatures and increasing disposable income are key growth drivers
  - 2.3.2. Indian air cooler market was valued at INR 33.86B in FY25, expected to grow at CAGR of 9.06% during FY25-30 due to rising temperatures and rising disposable income
  - 2.3.3. Indian geyser market was valued at INR 26.48B in FY25, expected to grow at a CAGR of 7.16% during FY25-30 to reach INR 37.41B by FY30, growth supported by rising disposable income and rising urbanisation

### 3. Overview of Agricultural Equipment in India

- 3.1. Indian agricultural equipment market is expected to grow at a CAGR OF 10.76% during FY25-30 reaching a value of INR 1,743.25B in F30
  - 3.1.1. Tractors dominate the agricultural equipment market with a 75.00% share, while other farm equipment accounts for the remaining 25.00%
  - 3.1.2. 70.00% of the agricultural equipment market in India is organized, primarily due to the significant share of tractors, which dominate the market and operate within a highly organized segment
- 3.2. Key market drivers and challenges
  - 3.2.1. Due to the increased use of fuel-operated vehicles, wide adoption of drones, and modern irrigation techniques, there has been a shift in the agricultural landscape towards modernized farming methods
  - 3.2.2. Small and scattered land holdings, financing constraints, limited after-sales services, and inadequate awareness pose challenges in the Indian agricultural equipment market
  - 3.2.3. Government initiatives such as the Sub-Mission on Agricultural Mechanization, custom hiring centres, Per Drop More Crop, and Namo Drone Didi are driving the adoption of farm mechanization
  - 3.2.4. Agricultural value chain comprises land preparation, planting, crop care, harvesting, post-harvest activities, and residue management
  - 3.2.5. ~75% manufacturing of simple agricultural equipment is in-house, while rest ~25% is outsourced
- 3.3. Agricultural equipment exports grew at a CAGR of 4.32% during CY18-24 reaching a value of INR 103.12B, with the USA holding the highest share of 39.16%

### 4. Overview of ODM Market for Key Consumer Durables Products in India

- 4.1. Indian ODM market expected to grow at CAGR of 15.60% during FY25-30 driven by cost effectiveness for brands & faster time to market
  - 4.1.1. Indian ODM market for air conditioners valued at INR 55.88B in FY24, expected to grow at CAGR of 19.70% during FY25-30
  - 4.1.2. Indian ODM market for fans valued at INR 39.99B in FY25, expected to grow at CAGR of 10.24% during FY25-30
  - 4.1.3. ODM market for air coolers valued at INR 10.81B in FY24, expected to grow at CAGR of 10.48% during FY25-30
- 4.2. Sector outlook
  - 4.2.1. Economic developments like push for increasing local value add, China +1 strategy, along with technological developments like robotic manufacturing processes & shift to sustainable products favouring ODM market

- 4.2.2. Government initiatives like BIS certification requirement, Production Linked Incentives, Make in India & custom duty hike supporting ODM market growth
- 4.3. Comparison of in-house manufacturing vs outsourcing across major consumer electrical brands
- 4.4. Value chain dynamics for FMEG
- 4.5. Comparison of peers in terms of presence across the value chain
- 4.6. Key risks and challenges faced by ODM manufacturers

## **5. Summary of the TAM for the Company**

## **6. Company overview**

- 6.1. Operational benchmarking
  - 6.1.1. Pumps and motors
  - 6.1.2. ODM
  - 6.1.3. Consumer electronics
  - 6.1.4. Agriculture equipment
- 6.2. Financial Benchmarking
  - 6.2.1. Pumps and motors
  - 6.2.2. ODM
  - 6.2.3. Consumer electronics
  - 6.2.4. Agriculture equipment
- 6.3. Key threats and challenges

# GLOSSARY OF ABBREVIATIONS USED

| Sl No | Abbreviation used | Full form  |
|-------|-------------------|--|
| 1     | AC                | Air conditioner  |
| 2     | ALMM              | Approved List of Models and Manufacturers                        |
| 3     | BCD               | Basic Custom Duty  |
| 4     | B                 | Billion  |
| 5     | BRICS             | Brazil, Russia, India, China, and South Africa                   |
| 6     | BEE               | Bureau of Energy Efficiency                                      |
| 7     | BIS               | Bureau of Indian Standards                                       |
| 8     | B2B               | Business to Business   |
| 9     | B2C               | Business to Consumer   |
| 10    | CY                | Calendar Year  |
| 11    | C                 | Celsius  |
| 12    | cm                | Centimetre   |
| 13    | CEA               | Central Electricity Authority                                    |
| 14    | CAGR              | Compounded Annual Growth Rate                                    |
| 15    | COVID             | Coronavirus Disease  |
| 16    | DFC               | Dedicated freight corridor                                       |
| 17    | DAY-NRLM          | Deen Dayal Antyodaya Yojana - National Rural Livelihoods Mission |
| 18    | DDUGJY            | Deen Dayal Upadhyaya Gram Jyoti Yojana                           |
| 19    | EMS               | Electronics manufacturing services                               |
| 20    | EPC               | Engineering, Procurement, and Construction                       |
| 21    | EMI               | Equated monthly instalment                                       |
| 22    | E                 | Estimated  |
| 23    | EPR               | Extended Producer Responsibility                                 |
| 24    | FMEG              | Fast moving electrical goods                                     |
| 25    | FMCG              | Fast-moving Consumer Goods                                       |
| 26    | FY                | Financial Year   |
| 27    | FDI               | Foreign Direct Investment  |
| 28    | GW                | Giga Watt  |
| 29    | GST               | Goods and Services Tax   |
| 30    | GDP               | Gross Domestic Profit  |
| 31    | ICAP              | India Cooling Action Plan  |
| 32    | INR               | Indian National Rupee  |
| 33    | IREDA             | Indian Renewable Development Agency                              |
| 34    | IoT               | Internet of things   |
| 35    | kg                | Kilogram   |
| 36    | LFPR              | Labor Force Participation Rate                                   |
| 37    | LoAs              | Letters of Award   |
| 38    | LED               | Light-emitting diode   |
| 39    | MGNREGS           | Mahatma Gandhi National Rural Employment Guarantee Scheme        |
| 40    | M                 | Million  |
| 41    | MMT               | Million Metric Tonnes  |
| 42    | MT                | Million Tonne  |
| 43    | MSME              | Ministry of Micro, Small & Medium Enterprises                    |
| 44    | M-SIPS            | Modified Special Incentive Package Scheme                        |
| 45    | MCPE              | Monthly per capita consumption expenditure                       |
| 46    | NRLM              | National Rural Livelihoods Mission                               |
| 47    | ONDC              | One Network for Digital Commerce                                 |
| 48    | ODM               | Original design manufacturer                                     |
| 49    | OEM               | Original Equipment Manufacturer                                  |
| 50    | PERC              | Passivated Emitter and Rear Cell                                 |
| 51    | PV                | Photovoltaic   |
| 52    | PMAY-G            | Pradhan Mantri Awas Yojana - Gramin                              |

|    |          |   |
|----|----------|---|
| 53 | PM-KUSUM | Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyaan |
| 54 | P        | Predicted   |
| 55 | PM       | Prime Minister  |
| 56 | PCB      | Printed circuit board                                       |
| 57 | PLI      | Production Linked Incentive                                 |
| 58 | PLI      | Production Linked Incentive                                 |
| 59 | R&D      | Research and development                                    |
| 60 | RAC      | Room air conditioner  |
| 61 | SHG      | Self-help Groups  |
| 62 | TPW fans | Table, pedestal & wall fans                                 |
| 63 | TV       | Television  |
| 64 | K        | Thousand  |
| 65 | T        | Trillion  |
| 66 | TOPC     | Tunnel Oxide Passivated contact                             |
| 67 | UAE      | United Arab Emirates  |
| 68 | UK       | United Kingdom  |
| 69 | USA      | United States of America                                    |
| 70 | WEF      | World Economic Forum  |
| 71 | Y-o-Y    | Year on Year  |

# EXCHANGE RATE TABLE

| Year (FY) | Rs. Equivalent of one US\$ | Euro equivalent of one US\$ | Year (CY) | Rs. Equivalent of one US\$ | Euro equivalent of one US\$ |
|-----------|----------------------------|-----------------------------|-----------|----------------------------|-----------------------------|
| 2015-16   | 66.33                      | 0.88                        | 2016      | 67.95                      | 0.95                        |
| 2016-17   | 64.84                      | 0.93                        | 2017      | 63.93                      | 0.83                        |
| 2017-18   | 65.04                      | 0.81                        | 2018      | 68.36                      | 0.88                        |
| 2018-19   | 69.17                      | 0.89                        | 2019      | 69.89                      | 0.89                        |
| 2019-20   | 70.49                      | 0.93                        | 2020      | 74.18                      | 0.83                        |
| 2020-21   | 73.20                      | 0.85                        | 2021      | 74.50                      | 0.83                        |
| 2021-22   | 74.50                      | 0.86                        | 2022      | 76.10                      | 0.91                        |
| 2022-23   | 80.32                      | 0.96                        | 2023      | 82.31                      | 0.93                        |
| 2023-24   | 82.59                      | 0.93                        | 2024      | 83.67                      | 0.92                        |
| 2024-25   | 84.56                      | 0.93                        | 2025      | 86.60                      | 0.95                        |

Source: X-rate Monthly average

## 1. Macroeconomic overview

### 1.1 Global real GDP is projected to grow at a CAGR of ~3.1% from CY24-29, while India's economy is expected to expand at a robust CAGR of 6.5% over the same timeframe

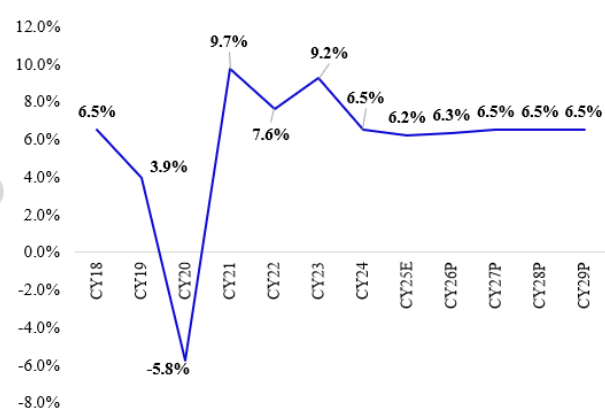
Global real GDP in CY24 grew at a rate of 3.2%, despite challenges such as higher interest rates, tighter financial conditions, and geopolitical tensions, including Russia's ongoing war in Ukraine, escalating conflict in the Middle East and turbulent US-China relations. In comparison, India is expected to sustain the highest growth rate, with its current year-on-year growth rate at 6.5% in CY24, expected to grow at 6.5% till CY29, the rise in the growth rate is attributed to robustness and strength in domestic demand and a rising working-age population behind its growth projections.

**Real GDP growth – India, China, Germany, USA, UK, World**  
(Y-o-Y growth %, CY18-29P)

| Top economies | India | China | Germany | USA   | UK     | World |
|---------------|-------|-------|---------|-------|--------|-------|
| CY18          | 6.5%  | 6.8%  | 1.1%    | 3.0%  | 1.4%   | 3.7%  |
| CY19          | 3.9%  | 6.1%  | 1.0%    | 2.6%  | 1.6%   | 2.9%  |
| CY20          | -5.8% | 2.3%  | -4.1%   | -2.2% | -10.3% | -2.7% |
| CY21          | 9.7%  | 8.6%  | 3.7%    | 6.1%  | 8.6%   | 6.6%  |
| CY22          | 7.6%  | 3.1%  | 1.4%    | 2.5%  | 4.8%   | 3.6%  |
| CY23          | 9.2%  | 5.4%  | -0.3%   | 2.9%  | 0.4%   | 3.5%  |
| CY24          | 6.5%  | 5.0%  | -0.2%   | 2.8%  | 1.1%   | 3.3%  |
| CY25E         | 6.2%  | 4.0%  | 0.0%    | 1.8%  | 1.1%   | 2.8%  |
| CY26P         | 6.3%  | 4.0%  | 0.9%    | 1.7%  | 1.4%   | 3.0%  |
| CY27P         | 6.5%  | 4.2%  | 1.5%    | 2.0%  | 1.5%   | 3.2%  |
| CY28P         | 6.5%  | 4.1%  | 1.2%    | 2.1%  | 1.5%   | 3.2%  |
| CY29P         | 6.5%  | 3.7%  | 1.0%    | 2.1%  | 1.4%   | 3.2%  |

Source(s): International Monetary Fund, I.Lattice analysis

**Real GDP growth – India**  
(Y-o-Y growth %, CY18-29P)



India, currently the world's fifth-largest economy, is projected to become the third-largest by CY28, driven by robust sectoral growth and rising private consumption. Indian private consumption expenditure is expected to be driven by an increasing proportion of working age population and a rise in household income. India's GDP growth is driven by factors like:

- **Population growth & expanding middle class:** India's growing population, especially the expanding middle class, is increasing demand for goods and services, boosting consumption-driven growth. India's middle class is expected to reach 1,024.80M (61%) by CY47, from 507.85M (~35%) in CY24.
- **Rising consumer spending:** As per World Economic Forum (WEF), India's private consumption, which accounts for over 60% of GDP, continues to grow, and is projected to exceed US\$ 4T by CY30, driving broader economic expansion.
- **Infrastructure investments:** Government focus on infrastructure, including roads, railways, and urban development, enhances productivity and supports long-term economic growth. In the FY25-26 budget, the government has allocated INR 11T towards capital expenditure.
- **Foreign Direct Investment (FDI):** FDI inflows boost industrial growth, employment, and exports, strengthening the economy.
- **'Make in India' initiative:** Make in India initiative aims to transform India into a global manufacturing hub. This initiative is part of a broader strategy to enhance the country's economic growth, attract foreign investment, and promote domestic production across various sectors. Since the inception of "Make in India", the FDI inflows in India has increased from US\$ 45.14B in FY15 to US\$ 70.95B in FY24.
- **Technological advancements & digital economy:** Growing internet penetration and adoption of digital technologies are transforming sectors like e-commerce, fintech, and manufacturing, contributing significantly to GDP growth.

### 1.2 India's per capita income stood at ~US\$ 2.71K in CY24 and is expected to reach ~US\$ 4.09K by CY29

India's per capita income is expected to rise from US\$ 2.71K in CY24 to ~US\$ 4.09K by CY29 growing at a CAGR of 8.57%. The growth in GDP per capita is driven by strong manufacturing, higher agricultural output, and robust government spending, making it the fastest-growing major economy, followed by China (5.71%), the UK (4.53%), the USA (3.49%), and Germany (2.97%).

### Global GDP per capita – Top economies (US\$, CY18-29P)

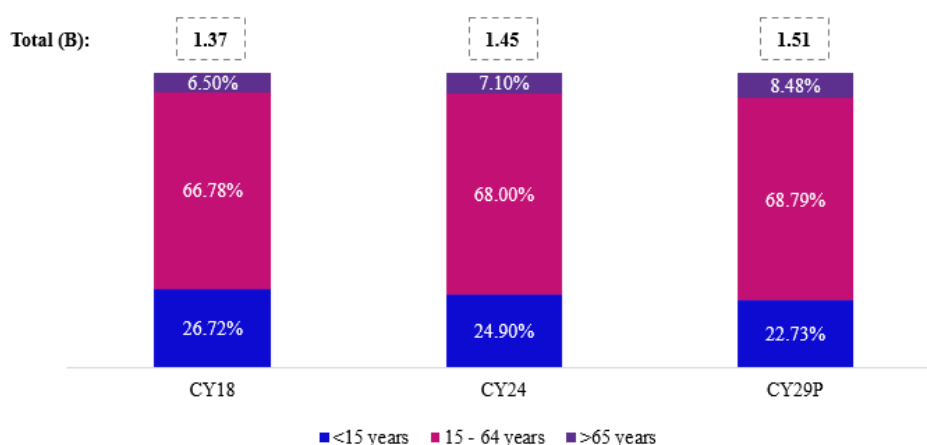
| Top economies  | CY18      | CY24      | CY29P       | CAGR<br>CY18-24 | CAGR<br>CY24-29P |
|--|-----------|-----------|-------------|-----------------|------------------|
| <b>India</b>    | 1,974.38  | 2,711.41  | 4,089.49    | 5.43%           | 8.57%            |
| <b>USA</b>      | 63,165.28 | 85,812.18 | 1,01,880.84 | 5.24%           | 3.49%            |
| <b>Germany</b>  | 48,897.19 | 54,989.76 | 63,650.04   | 1.98%           | 2.97%            |
| <b>UK</b>       | 43,275.10 | 52,648.19 | 65,717.49   | 3.32%           | 4.53%            |
| <b>China</b>    | 10,040.46 | 13,312.70 | 17,575.90   | 4.81%           | 5.71%            |

Source(s): International Monetary Fund, ILLattice analysis

### 1.3 The working-age demographic, encompassing individuals aged 15-64, has consistently represented a significant majority between CY18-23

The working-age group (15-64 years) remains dominant, making up 67-68% of the population during CY18-24, while the child (0-14 years) and elderly (64+ years) groups represent 25-27% and 6-7%, respectively. 15-64 years age group has the highest percentage split is expected to grow to 68.79% by CY29, while the 0-14 years age group population is on to decline to 22.73% in CY29. In CY24, the working-age population accounted for 63.4% in the US, ~63.9% in the UK, 62.5% in Germany, and ~69.3% in China. The size of India's workforce is a major competitive advantage as the country tries to become a global design and manufacturing hub. India's growing youth and working-age population, coupled with rising per capita income, is expected to drive increasing demand for branded products across a wider range of consumer goods, including but not limited to Fast-Moving Electrical Goods (FMEG) and home appliances. This shift reflects a preference for higher quality, reliability, and enhanced features, influencing purchasing decisions across various categories.

#### India's total population mix (B, CY18-29P)



Sources: Economic and Social Commissions for Asia and Pacific, ILLattice analysis

### 1.4 Global median age is expected to increase to 32 years by CY30 from 30.5 years in CY23, while India's median age is expected to be 30.9 years in CY30

India's median age is 28.2 years in CY23, the lowest among its BRICS peers, indicating a favourable demographic dividend. This trend is expected to continue until CY30, India's demographic advantage includes a projected highest working-age population share of ~70% by CY30 and a median age of 30.9 years. This offers significant economic

benefits, with India expected to contribute 24.3% of the incremental global workforce in the next decade. The young population enhances India's competitiveness in sectors like services and manufacturing, driving economic growth through increased consumption.

**Median age – Top economies**  
(US\$, CY10-30P)

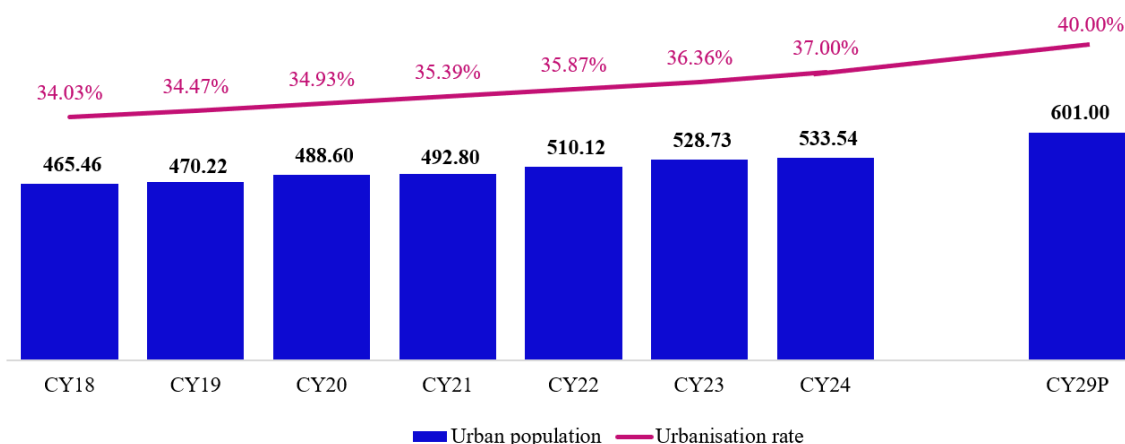
| Country | CY10 | CY15 | CY20 | CY23 | CY30P |
|---------|------|------|------|------|-------|
| China   | 34.1 | 35.6 | 37.4 | 38.9 | 42.7  |
| India   | 24.0 | 25.5 | 27.3 | 28.2 | 30.9  |
| Germany | 43.2 | 44.7 | 44.9 | 44.9 | 45.9  |
| UK      | 38.5 | 39.0 | 39.5 | 40.1 | 41.6  |
| USA     | 36.1 | 36.6 | 37.5 | 38.1 | 39.7  |
| World   | 27.3 | 28.5 | 29.7 | 30.5 | 32.1  |

Source(s): United Nations, World Population Prospects 2022, 1Lattice analysis

**1.5 Share of the urban population in India as percentage of the overall population is expected to rise from 37.00% in CY24 to 40.00% in CY29**

The share of the urban population in India as percentage of the overall population is expected to rise from ~37% in CY24 to 40% in CY29, expected to add over 400M people to urban areas by CY50. This urban shift is fuelling demand for residential properties, gated communities, and integrated townships, catering to the desire for upgraded lifestyles and modern amenities like IoT etc. In CY23, the urban population as a percentage of the total population stood at 83% in the USA, 85% in the UK, 65% in China, and 78% in Germany. Moreover, the average household size in India as of CY18 stands at 4.55 which is expected to decrease to ~4.16 by CY29. In recent decades, India has seen a decline in household size, driven by the rise of nuclear families, spurring demand in real estate for smaller, independent living spaces. Urban areas, where nuclearization is prominent, are witnessing increased demand for compact apartments or houses with fewer rooms, often in gated communities or apartment complexes offering tailored amenities for privacy and autonomy. Urbanization and nuclearization is expected to increase the demand for residential real estate which in turn is expected to generate demand for FMEG and household appliances.

**Urban population & urbanization rate in India**  
(M, %, CY18-29P)



Source(s): World Bank, 1Lattice analysis

**1.6 Key growth drivers for rural economy growth**

- **Increased disposable income:** Rising disposable income in rural areas, driven by higher farm incomes from government procurement prices, enhances purchasing power and boosts demand for goods and services,

particularly in FMCG and consumer durables. Rural household income from INR 8.05K in FY16 to INR 12.70K in FY21 at a CAGR of 9.55%

- **Surge in female labour force participation:** There was a notable increase in the rural female labour force participation rate (LFPR) in India from FY19 to FY25, rising from 26.4% to 20.4%. In contrast, urban areas saw a more modest growth, with LFPR increasing from 20.4% to 38.2% during the same period
- **Infrastructure Development:** Significant investments in rural infrastructure, such as roads and electricity, improve market access and services, with initiatives like the PM Gram Sadak Yojana facilitating trade and mobility essential for agricultural productivity
- **Technological Adoption:** The integration of technology in agriculture and finance, including digital payments and mobile banking through initiatives like Jan Dhan Yojana, empowers rural farmers and entrepreneurs, enhancing efficiency and productivity

#### **Government initiatives for rural economy growth:**

- **Atmanirbhar Bharat Abhiyaan:** Launched in May 2020, this initiative aims to make India self-reliant through a comprehensive economic package and reforms across various sectors, focusing on enhancing local production and reducing dependency on imports
- **Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS):** This program guarantees 100 days of wage employment in a financial year to every rural household, aiming to enhance livelihood security and create durable assets in rural areas
- **Pradhan Mantri Awas Yojana - Gramin (PMAY-G):** This scheme provides financial assistance for the construction of pucca houses with basic amenities to improve housing conditions for the rural poor
- **Deen Dayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM):** This mission aims to reduce poverty by promoting self-employment and organization of rural poor into self-help groups (SHGs), enhancing their livelihoods
- **Digital India Initiative:** This initiative aims to transform India into a digitally empowered society and knowledge economy, improving access to digital services in rural areas and promoting digital literacy
- **National Rural Livelihoods Mission (NRLM):** Focused on promoting self-employment and organization of rural poor into SHGs, NRLM aims to enhance their livelihoods through skill development and access to credit
- **Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY):** Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) is a comprehensive rural electrification program launched by the Government of India in November 2014. It aims to improve the quality and reliability of power supply in rural areas, ensuring continuous electricity supply and contributing to the goal of '24x7 Power For All' in rural India.
- **Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya):** It is a significant initiative launched by the Government of India in October 2017, aimed at achieving universal household electrification across the country. This scheme focuses on providing electricity connections to all un-electrified households in rural areas and to poor households in urban areas.

These initiatives collectively aim to empower rural communities, enhance livelihoods, and promote sustainable development across India's vast rural landscape.

## **2. Overview of ECD Industry in India**

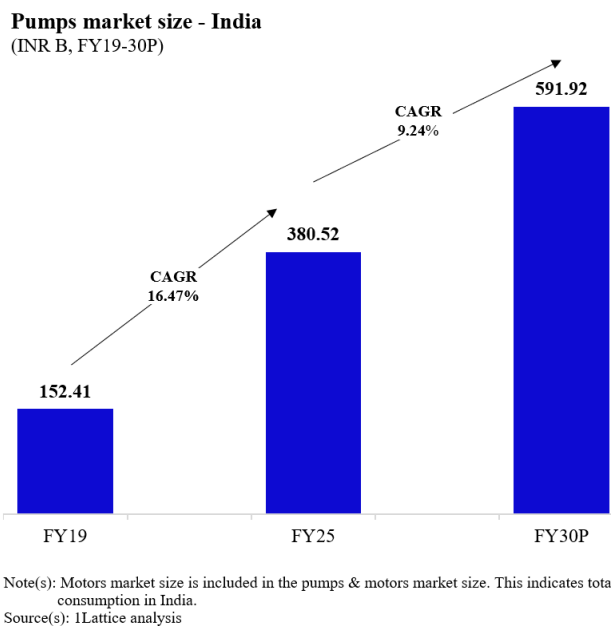
The Electrical Consumer Durables (ECD) segment encompasses a diverse range of electrical products ranging from FMEG (Fans, lighting and switchgear), power cables, various home appliances like AC, cooler, washing machine, home automation, televisions, dishwashers, ovens, microwaves, vacuum cleaners, electric fans, toasters, room heaters etc. to electric pumps and motors and solar ecosystem that support sustainable energy initiatives. The Fast-Moving Electrical Goods (FMEG) segment covers everyday electrical essentials like fans, lighting solutions, and switchgears and other small home appliances. Together, these categories form a crucial part of modern infrastructure, with a focus on energy efficiency, durability, and innovation.

### **2.1 Overview of Pumps Industry in India**

#### **2.1.1 The Indian pump market was INR 380.52B in FY25 and is expected to reach INR 591.92B by FY30, growing at a CAGR of 9.24% during the period**

Pumps are vital across various sectors in India, including agriculture, industrials and infrastructure, making the pump industry a key contributor to the nation's growth. This sector has experienced significant growth in recent years, driven by the expansion of domestic infrastructure projects and water-intensive industries. Advancements like built-to-suit pumps for specific applications in various industries and customization that optimizes pump performance for unique

processes are also gaining potential. The increasing demand in these areas underscores the essential role of pumps in supporting India's development and economic progress. Government initiatives like Jal Jeevan Mission and Swachh Bharat Mission are also driving growth in the pump market by increasing demand for water supply infrastructure and sanitation solutions.



The Indian pumps market was INR 380.52B in FY25, expected to grow at a CAGR of 9.24% during FY25-30 to reach INR 591.92B by FY30. Agriculture drives growth in the Indian pumps market through increasing demand for efficient irrigation solutions, boosted by government initiatives, increasing adoption of solar pumps and rising need for reliable water supply to enhance crop yields. Industrial growth and urbanization in India are driving demand for pumps in water supply, wastewater treatment, construction, and manufacturing. Coimbatore and Rajkot serve are the regional hubs for the pump industry in India. Other major industrial clusters for pumps are located in cities such as Belgaum, Batala, Jalandhar, Kolhapur, Ahmedabad, and Hyderabad.

**2.1.1.1 Indian pump industry is segmented into agricultural, industrial, and residential pumps; Industrial pumps segment is projected to experience the fastest growth among all categories, with a robust CAGR of 11.84% over the forecast period**

**Agricultural pumps segment:** Agriculture stands as a crucial sector propelling the demand for pumps in India, given the nation's expansive agricultural terrain. Pumps play a pivotal role in irrigation and water management, facilitating efficient water distribution across farmlands. Agriculture's vital role in India necessitates pumps for irrigation and efficient water use, making them essential for farm output and livelihoods. Also, farmers are increasingly turning to solar pumps for irrigation. This is driven by both cost savings on electricity or diesel and reduced environmental impact, making them a sustainable solution for water needs. Agricultural pumps segment forms 66.67% of Indian pump industry in FY25 and is expected to grow at a CAGR of 8.45% by FY30. It would form 64.29% of Indian pump industry in FY30.

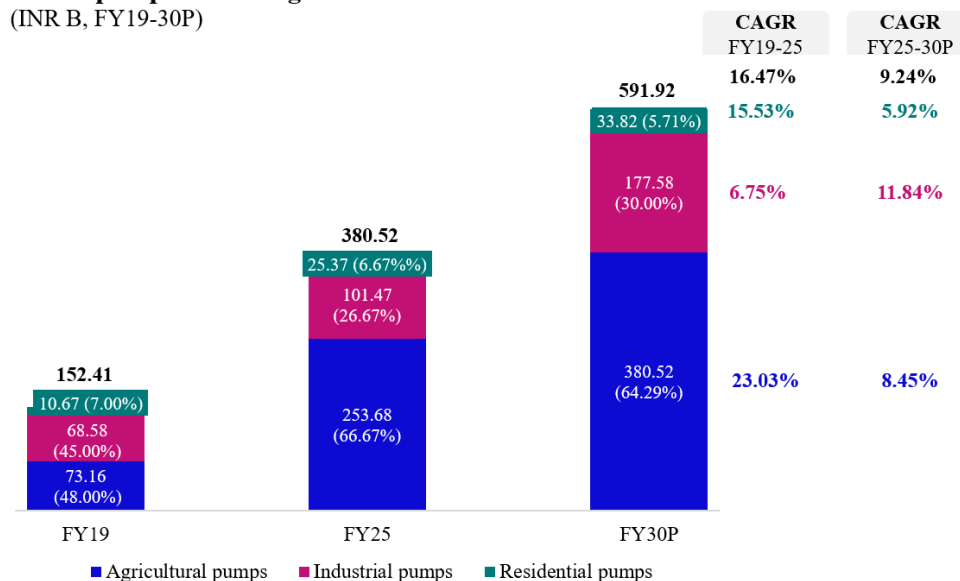
**Industrial pumps segment:** The Indian pump industry has significantly broadened its presence across various industrial sectors. Water treatment, oil and gas, power generation, automotive and food processing industries depend heavily on pumps for essential operations. These sectors utilize pumps for processes such as fluid transportation, cooling, lubrication, and water management, underscoring the critical role of the pump industry in supporting industrial activities and overall economic growth. Industrial pumps segment forms 26.67% of Indian pump industry in FY25 and is expected to grow at a CAGR of 11.84% by FY30. It would form 30.00% of Indian pump industry in FY30

**Residential pumps segment:** The residential pumps segment is pivotal for the pumps industry in India as the demand for residential properties continues to surge. This upsurge drives a corresponding increase in the demand for residential pumps and motors. The growth in residential construction projects underscores the essential role of pumps in supporting household water supply, heating, and ventilation systems, highlighting the significance of this sector for the pumps

industry. The residential pumps segment forms 6.67% of Indian pump industry in FY25 and is expected to grow at a CAGR of 5.92% by FY30. It would form 5.71% of Indian pumps industry in FY30.

### Indian pump market segmentation

(INR B, FY19-30P)



Note(s): Motors market size is included in the pumps & motors market size. This indicates total consumption in India.

Source(s): ILattice analysis

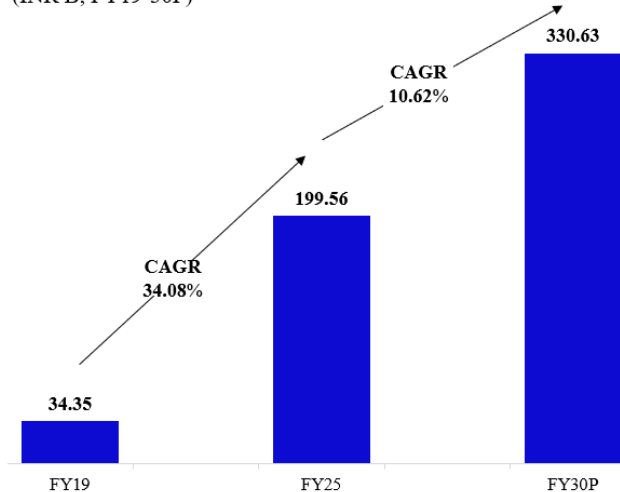
Note: The overall industry size appears to be significantly larger when we sum up the market sizes of all pump types mentioned in the subsequent sub-sections including submersible, centrifugal, monoblock, self-priming, multistage submersible, and solar pumps—than the figure presented here. This discrepancy arises because any pump type category itself encompasses multiple subcategories, which contribute to a higher aggregated market size.

#### 2.1.1.2 The Indian submersible pump market is expected to grow at a CAGR of 10.62% during FY25-30, reaching INR 330.63B in FY30

The submersible pumps market in India is experiencing growth, with bore wells emerging as a significant segment due to reducing water table. The growth is also driven by increased applications in water treatment and mining sectors across the country. These pumps also play a pivotal role in household water supply, finding strong demand even in tier-3 cities. The submersible pump market grew at a CAGR of 34.08% between FY19-25 and was valued at INR 199.56B in FY25 and expected to reach INR 330.63B by FY30, growing at a CAGR of 10.62% from FY25-30.

### Submersible pumps market size - India

(INR B, FY19-30P)



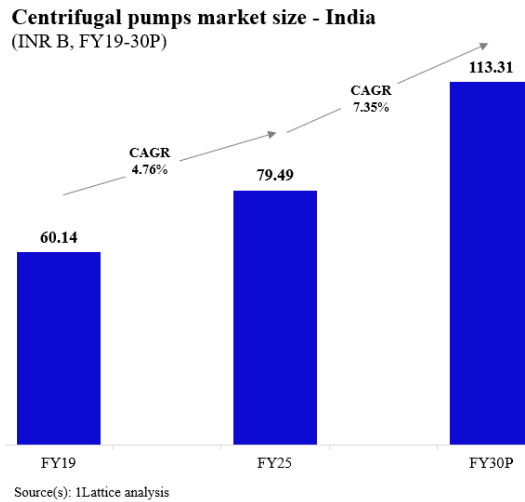
Source(s): ILattice analysis

Key growth drivers for submersible pump market are:

- Government incentives and regulations, such as PM KUSUM scheme promotes usage of submersible pumps by farmers
- Declining groundwater levels increase the demand for submersible pumps, which can operate deep within water sources
- Additionally, rising construction activities and the water needs of residential complexes further drive demand for these pumps in residential / domestic sector
- Urbanization in India is driving the growth of submersible pumps due to the increased demand in densely populated urban areas and increasing high rise buildings.
- The increasing demand for wastewater management in India is driving growth for submersible pumps due to their efficiency and reliability in handling sewage and drainage systems.

**2.1.1.3 The Indian centrifugal pump market is valued at INR 79.49B in FY25 and is expected to grow at a CAGR of 7.35% during FY25-30, reaching INR 113.31B by FY30**

Centrifugal pumps are utilized for transferring fluids both within and between facilities. They efficiently handle a range of fluid viscosities, from medium to high viscosity liquids, liquefied gases, and water-like fluids. Due to the diverse nature of transfer operations, it's crucial to select the most versatile, reliable, and efficient pumping technology available. The market has benefited significantly from advancements in the materials used to manufacture these pumps over the years.

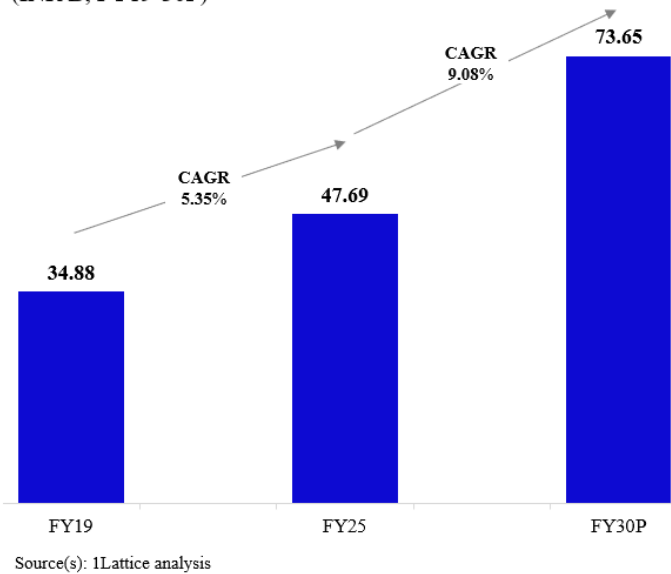


The centrifugal pump market grew at a CAGR of 4.76% between FY19-25 and was valued at INR 79.49B in FY25. It is expected to reach INR 113.31B by FY30, growing at a CAGR of 7.35% from FY25-30. The growth is also being driven by technological advancements, rising infrastructure projects, increasing industrial applications, and growing demand for efficient water and wastewater management.

**2.1.1.4 The Indian monoblock pumps market is expected to grow at a CAGR of 9.08% during FY25-30, from INR 47.69B in FY25 to INR 73.65B in FY30**

The monoblock pump is a type of centrifugal pump variant, finds extensive use across water supply, irrigation, agriculture, and industrial applications. Over recent years, the monoblock pump market has seen substantial growth in India. The monoblock pump market grew at a CAGR of 5.35% between FY19-25 and was valued at INR 47.69B in FY25. It is expected to reach INR 73.65B by FY30, growing at a CAGR of 9.08% from FY25-30. The Indian monoblock pumps market is thriving due to their strong demand in the rural areas. They are popular in agricultural usage for their compact design, easy installation, and efficient irrigation. This growth trend has prompted a surge in product offerings, catering to diverse demands across sectors and driving innovation uptake in the market.

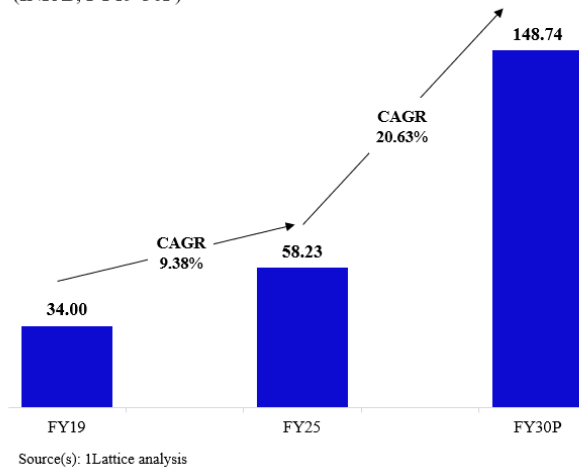
**Monoblock pumps market size - India**  
(INR B, FY19-30P)



**2.1.1.5 The Indian self-priming pumps market is expected to grow at a CAGR of 20.63% during FY25-30, from INR 58.23B in FY25 to INR 148.74B in FY30**

The self-priming pumps market in India is witnessing significant growth, driven by their increasing use in irrigation and water supply applications. The rising need for efficient wastewater management in urban areas has further boosted demand, particularly in sectors like sewage treatment and stormwater management. These pumps also play a vital role in residential and industrial water systems, finding strong adoption even in emerging tier-3 cities due to their reliability and ease of use. The Indian self-priming pump market grew at a CAGR of 9.38% between FY19-25 and was valued at INR 58.23B in FY25 and expected to reach INR 148.74B by FY30, growing at a CAGR of 20.63% from FY25-30.

**Self priming pumps market size - India**  
(INR B, FY19-30P)

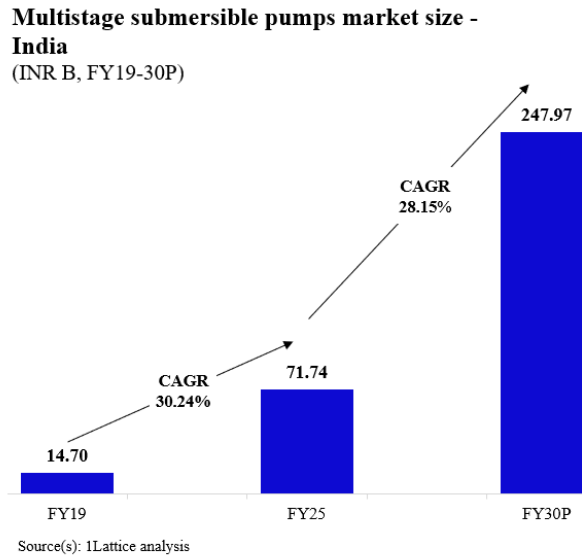


Key growth drivers for self-priming pump market are:

- Growing infrastructure development: Rapid urbanization and large-scale infrastructure projects in developing economies drive demand for self-priming pumps, essential for water supply, sewage treatment, and stormwater management.
- Increasing agricultural needs: The agriculture sector relies on self-priming pumps for irrigation, especially in regions with unpredictable rainfall, to meet rising food demand
- Industrial expansion: Industries like oil and gas, chemical processing, mining, and construction require durable and versatile pumps for fluid handling, boosting demand
- Technological advancements: IoT-enabled self-priming pumps improve operational efficiency, reduce maintenance, and extend equipment life, driving market growth

**2.1.1.6 The Indian multistage submersible pumps market is expected to grow at a CAGR of 28.15% during FY25-30, from INR 71.74B in FY25 to INR 247.97B in FY30**

The multistage submersible pump market in India is witnessing robust growth, propelled by technological advancements, changing consumer preferences, and increased investments from public and private sectors. These pumps cater to various industries and applications, reflecting their broad market potential. The India multi-stage submersible pump market grew at a CAGR of 30.24% between FY19-25 and was valued at INR 71.74B in FY25 and expected to reach INR 247.97B by FY30, growing at a CAGR of 28.15% from FY25-30.

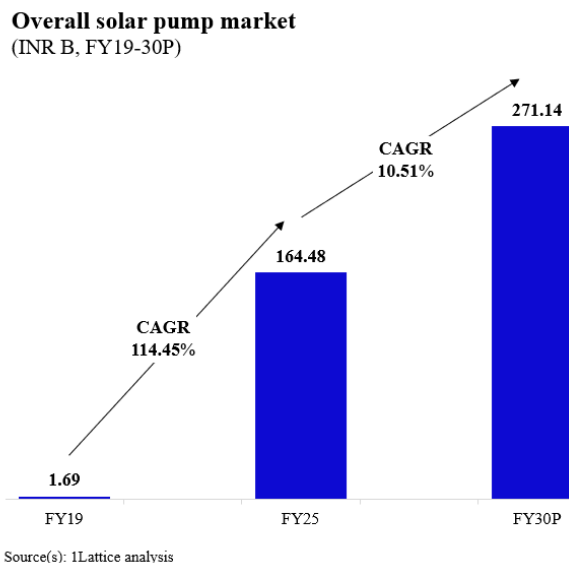


Key growth drivers for multi-stage submersible pump market are:

- Reliance on irrigation due to erratic rainfall has increased demand for multi-stage submersible pumps, ideal for deep water extraction from borewells
- The expansion of industries like textiles, chemicals, and power generation drives demand for multi-stage submersible pumps, essential for cooling, sewage treatment, and wastewater management.

**2.1.1.7 Indian solar pump market was valued at INR 164.48B in FY25 and is expected to grow at a CAGR of 10.58% between FY25-30, expected to reach INR 271.14B by FY30**

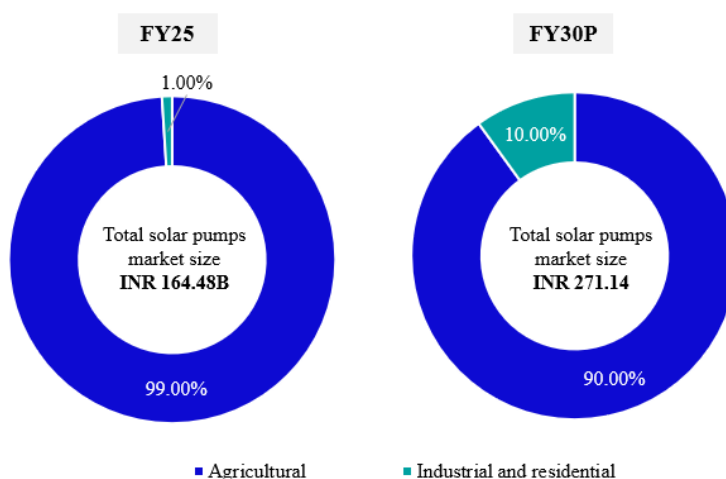
Solar pumps are environment-friendly and sustainable alternatives to diesel / grid-connected pumps. These cost-effective pumps provide energy access in remote areas with scarce electricity. It is important for sustainable agriculture in India, which contributes to ~18% of India's GDP. Solar pumps have experienced the highest growth rate and are expected to continue outpacing all other pump sub-types in the future. They are widely used in agricultural activities for irrigation, drip irrigation, livestock watering, aquaculture, and rainwater harvesting.



The Indian solar pump market has witnessed a remarkable growth trajectory increasing from INR 1.69B in FY19 to INR 164.48B in FY25 and is expected to reach INR 271.14B by FY30. It is growing at a CAGR of 10.51% over FY25-30. The market growth is largely driven by government initiatives like PM-KUSUM which enables farmers to get subsidized solar pumps. Increased focus on reducing carbon emissions, emphasis on energy-efficient resources and technological advancements rising diesel costs, reduced dependency on stable electricity supply and protection from motor damage due to voltage fluctuations are other factors driving the solar pump market in India.

The Indian agricultural solar pump market accounted for ~99% of the total market in FY25. By FY30 this share will be ~90% of the market. The remaining ~10% share would be for industrial and residential sectors due to the increasing awareness and usage of solar pumps in these sectors. In the industrial sector, the solar pumps will be increasingly utilized in several use cases including the food and beverage industry, wastewater treatment plants, amongst others.

### Solar pump market segmentation



Source(s): 1.Lattice analysis

### 2.1.2 Export scenarios of pumps:

Amid growing global investments in irrigation, water management, mining, and chemicals, Indian pumps are gaining significant traction internationally. With exports to over 190 countries surging by more than 20% post-COVID, Indian pumps are recognized for their cost-effectiveness and efficacy in addressing the rising demand for clean water and wastewater solutions worldwide.

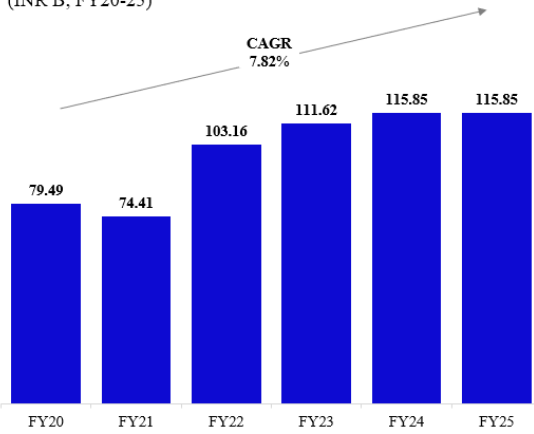
Indian pump manufacturers often enjoy a cost advantage over international players due to several factors.

- (a) **Lower Manufacturing Costs:** India has a readily available workforce (607.7M as of CY24) with competitive wages, leading to lower production costs compared to developed nations
- (b) **Government Incentives:** The Indian government provides subsidies and encourages domestic production through initiatives like 'Make in India', further reducing costs for Indian manufacturers.
- (c) **Localized Supply Chains:** Indian players often have well-established domestic supply chains for raw materials and components, minimizing import dependence and associated costs.

### Key countries India exports to:

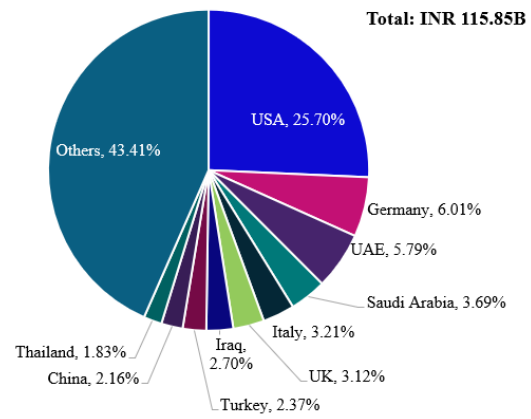
Indian pump industry has seen a 7.82% CAGR growth in exports from INR 79.89B in FY20 to INR 115.85B in FY25. The USA is the largest importer of pumps, importing 25.70% of the total pump exports from India, followed by Germany (6.01%) and UAE (5.79%). The top 10 countries importing from India form ~56% of the total pump exports.

**Pumps exports from India**  
(INR B, FY20-25)



Source(s): DGCIIS, I Lattice analysis

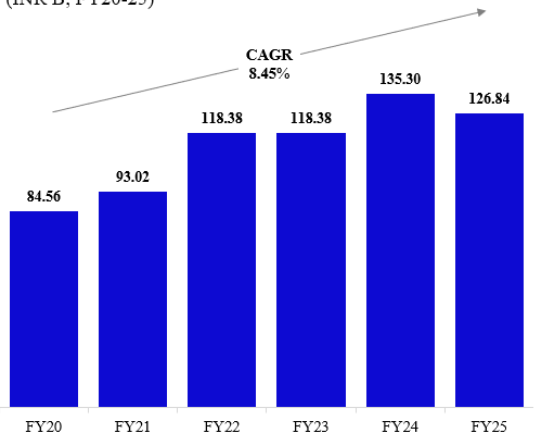
**Key countries India exports to**  
(%, FY25)



**Key countries India imports from:**

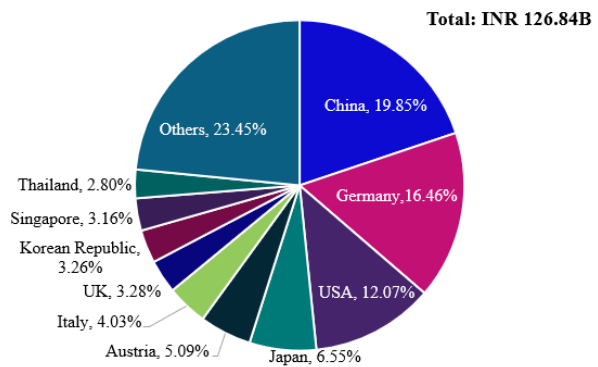
Indian pump industry has seen a ~8.45% CAGR growth in imports from INR 84.56B in FY20 to INR 126.84B in FY25. China is the largest exporter of pumps, exporting 19.58% of the total pump imports to India, followed by Germany (16.46%) and USA (12.07%). The top 10 countries exporting to India form ~76% of the total pump imports.

**Pumps imports to India**  
(INR B, FY20-25)



Source(s): DGCIIS, I Lattice analysis

**Key countries India imports from**  
(%, FY25)



**2.1.3 Market drivers and restraints**

**2.1.3.1 Growth drivers of pump market in India**

The growth of Indian pump industry is driven by various factors which differ basis the end user industry.

• **Industrial sector:**

The demand drivers for pumps in India stem from various key areas, reflecting the critical role pumps play in facilitating essential processes, thus contributing to sustained demand growth.



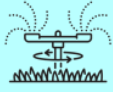


- i) **Water and Wastewater Management:** Pumps play a vital role in regulating water supply by moving water from lower to higher levels and facilitating sewage pumping and treatment processes. Increasing projects by states and municipal corporations for sewage collection, treatment, and water supply systems are boosting pump demand.
- ii) **Power Generation:** In the power industry, pumps are used for processing, lubrication, and cooling. Different activities within the sector require various pumping solutions, such as boiler feed water pumps, booster pumps, and high-pressure boiler feed pumps, driving demand diversity.
- iii) **Oil and Gas Operations:** Effective pumping systems are essential at various stages of oil and gas processes, including extraction, transportation, and refining. Pumps are indispensable for moving fuel from the refineries, or storage facilities, driving continuous demand in this sector.
- iv) **Chemical Industry:** The rapid growth of the Indian chemical market has significantly increased the demand for high-quality industrial pumps. As the chemical industry expands, there is a heightened need for reliable

and efficient pumping solutions to handle various processes, such as the transfer of chemicals, handling of corrosive substances, and maintaining production efficiency.

- v) **Pharmaceutical Industry:** Pumps play a crucial role in various stages of pharmaceutical manufacturing. They move liquids between tanks during mixing, sterilization, and purification. They also meter exact amounts of fluids for accurate ingredient ratios in medications.

- **Agricultural sector:**

The demand drivers for agricultural pumps include reliable irrigation water supply, rising food demand, improved irrigation efficiency, technological advancements, and enhanced farmer productivity. These factors collectively bolster the market growth for agricultural pumps by enhancing irrigation capabilities, supporting increased agricultural production, and integrating advanced technology.

| Reliable water supply for irrigation   | Growing domestic and global food demand   | Enhanced irrigation efficiency  | Technological advancements   | Enhanced farmers' productivity   |
|--|---|---|--|--|
|  <ul style="list-style-type: none"> <li>• Need for constant and hassle-free water supply</li> <li>• Decreasing groundwater levels, requiring efficient pumps for deeper access</li> </ul> |  <ul style="list-style-type: none"> <li>• Increased in agricultural exports</li> <li>• Need for modern agricultural machinery, including pumps</li> <li>• Rising Indian population requiring ever increase supply of agricultural produce</li> </ul> |  <ul style="list-style-type: none"> <li>• Assurance of water reaching every part of the field</li> <li>• Improves irrigation quality and production rates</li> </ul> |  <ul style="list-style-type: none"> <li>• Launch of advanced, high-tech pump solutions</li> <li>• Improved efficiency of solar pumps through: <ul style="list-style-type: none"> <li>– Enhanced photovoltaic technology</li> <li>– Ease of operation</li> </ul> </li> </ul> |  <ul style="list-style-type: none"> <li>• Increase in efficiency by high-flow water pumps</li> <li>• Usage of automated irrigation system leading to high crop yield</li> </ul> |

- **Residential sector:**

The demand for residential pumps is driven by increasing population and urbanization, continuous technological advancements improving efficiency, growing environmental awareness promoting eco-friendly solutions, and supportive government regulations and incentives.

- i) **Increasing Demand:** Population growth, urbanization, and changing consumer preferences drive the rising demand for residential pump products and services.
- ii) **Technological Advancements:** Ongoing innovations in materials, manufacturing processes, and digital technologies improve the efficiency and effectiveness of residential pumps.
- iii) **Enhancing Water Pressure in Modern Buildings:** Traditional systems often fail to deliver sufficient water pressure to upper floors in high-rise buildings. Pressure booster pumps ensure adequate pressure throughout. In large mixed-use developments, multistage pumps use multiple impellers to maintain pressure across extensive layouts and long pipelines.

**Government initiatives driving growth**

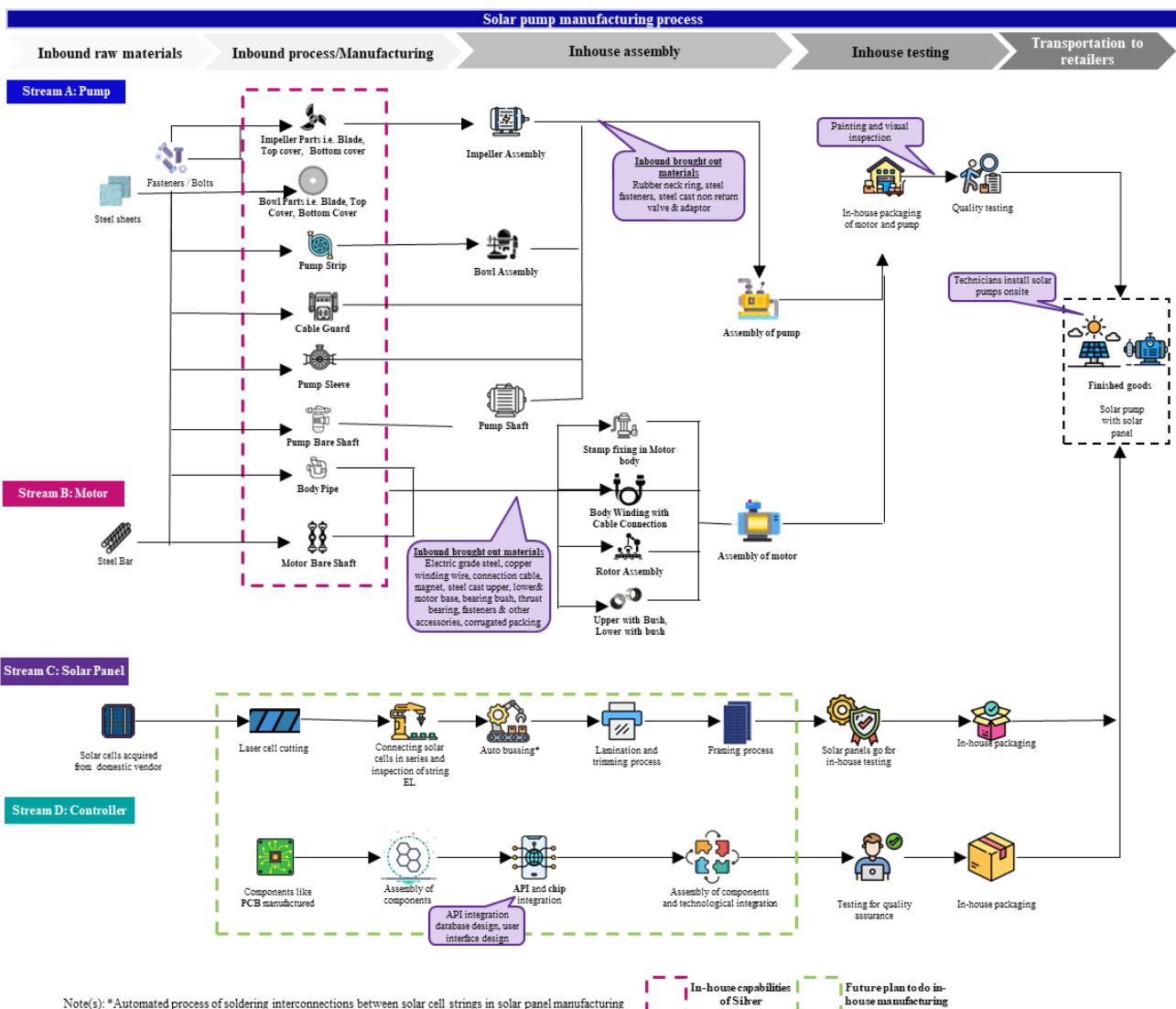
- **PLI Scheme** - In March 2020, the Indian government launched the Production Linked Incentive (PLI) Scheme as part of the National Programme on High-Efficiency Solar PV Modules. Its goal is to establish a domestic manufacturing capacity of gigawatt (GW) scale in high-efficiency solar PV modules and cells, with an allocation of INR 239.511B. This initiative offers a production-linked incentive to chosen manufacturers for five years post-commissioning, rewarding them for manufacturing and selling high-efficiency solar PV modules. The scheme is implemented in two tranches:
  - Tranche-I has an outlay of INR 45B, under which Letters of Award have been issued to three successful bidders for setting up of 8.74 GW of fully integrated solar PV module manufacturing units.
  - For Tranche-II with an outlay of INR 195B, Letters of Award (LoAs) had been issued to 11 bidders for setting up 39.60 GW of fully / partially integrated solar PV module manufacturing.
- **PM KUSUM Scheme** - The Pradhan Mantri Kisan Urja Suraksha Evam Utthaan Mahabhiyan (PM-KUSUM) Scheme, launched in sector and with total INR 344B (US\$ 4.1B) central financial support, aims to provide energy security to farmers, de-dieselize and promote the use of renewable energy in the agricultural sector, and reduce environmental pollution. PM KUSUM Scheme focuses on solarizing 1.4M grid-connected agricultural pumps and provides subsidies to individual farmers who have grid-connected pumps to retrofit their pumps with solar panels. The PM KUSUM Scheme also focuses on the solarization of 3.5M existing grid-connected agricultural pumps

and provides subsidies to individual farmers who have grid-connected pumps to retrofit their pumps with solar panels

- Highlights of union budget 2024** - The Union Budget 2024 emphasizes renewable energy and agricultural support. Key allocations include direct financial assistance to 118M farmers under PM-KISAN and crop insurance for 40M farmers under PM Fasal Bima Yojana. The introduction of the PM Surya Ghar Muft Bijli Yojana aims to provide up to 300 units of free electricity per month to 10M households, with an outlay of INR 100B to promote rooftop solar installations.

### 2.1.3.2 Silver Pumps specializes in the comprehensive manufacturing process of pumps and plans to add in house production of solar panel and controller

Silver Pumps is one of the leading players in pump manufacturing with backward integration of inbound process or manufacturing when compared to industry standard of 70-80% of backward integration. The company has complete control over the entire value chain, from design and manufacturing to installation and commissioning. From the initial stages of sourcing and refining raw materials to the final assembly, quality testing and packaging, Silver Pumps maintains complete control over each step of the production chain.



The company operates in-house manufacturing units for various components, including winding wires, cables, casting. This integrated approach enables precise control over the production process for solar pumps, solar panels, and controllers, ensuring all components adhere to the highest quality standards. The manufacturing facility is equipped with advanced machinery for assembly and rigorous quality testing, guaranteeing that each product meets stringent standards before packaging and distribution to retailers and customers.

### 2.1.3.3 Advantages of having full control over the value chain

1. **Better pricing and margins:** By controlling the entire value chain, manufacturers can reduce costs associated with intermediaries and suppliers. This allows for more competitive pricing and improved profit margins.
2. **Enhanced quality control:** Complete oversight of the manufacturing process ensures consistent quality through careful material selection, strict protocols, and rigorous product testing.
3. **Supply chain efficiency:** Streamlined supply chains minimize delays, improve production efficiency, and support better inventory management for faster delivery.
4. **Customization and innovation:** Controlling the entire value chain allows manufacturers to implement customizations and develop innovative, specialized products tailored to customer needs.
5. **Brand reputation and market adaptability:** Consistent quality, reliable delivery, and agility in responding to market or regulatory changes strengthen brand trust and competitive positioning.

### 2.1.3.4 Key risks and challenges faced by pumps industry

1. **Fluctuating input costs-** Prices of raw materials like stainless steel, copper, photovoltaic components, and aluminium are subject to significant fluctuations due to global trade policies and unfavourable economic conditions.
2. **Lower adoption of solar pumps and rooftop solar by the customers-** The high initial costs of solar pumps, including investments in pumps, solar panels, controllers, and installation, make them less appealing compared to grid-connected alternatives.
3. **Requirement of high working capital-** Faces substantial upfront expenses for raw materials, manufacturing, and distribution when supplying pumps to the government. Any delay in subsidy payments by the government under the PM-KUSUM scheme can affect the company's liquidity / working capital.
4. **Skilled workforce-** Pump manufacturing relies on a skilled workforce to ensure high-quality standards. The workers require specific technical skills and experience, and a shortage of qualified workers can lead to production inefficiencies and potential quality control issues.
5. **Increasing competition-** As more companies expand into solar pumps and adopt backward and forward integration strategies, pumps industry is likely to face increased competition in the market.

### 2.1.4 Customization vs standardization of pumps

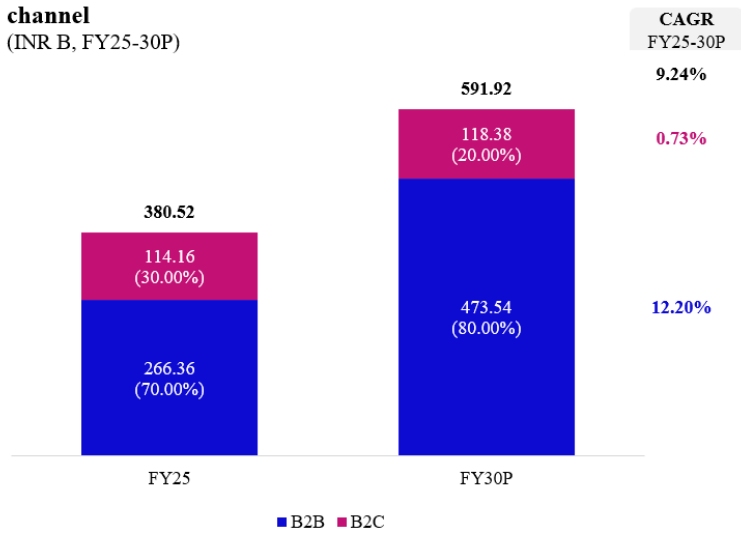
Pumps have a wide range of applications as per end users – agriculture, industrial and residential. This hinders the pumps industry from following a standardized structure and hence comes the demand for customization. Specialty pumps are used to meet demanding application specifications across a wide range of end markets, including crude-oil refineries, civil construction, and food-and-beverage process manufacturing. Several recent trends—including OEM and distributor consolidation, incremental product innovation, automation and Internet of Things (IoT) disruption, and the COVID-19 pandemic—are shaping the specialty-pumps market and transforming how players can move forward. Factors like required flow rate, pressure, energy source, and environmental conditions influence the customization needs. This variability makes it essential for manufacturers to tailor pumps to individual requirements rather than following a one-size-fits-all approach.

With complete value chain control, manufacturers can quickly adapt designs, select materials for specific durability needs, and ensure consistent quality. This enables faster production of customized solutions, integrating advanced features like IoT monitoring and energy-efficient components to meet diverse customer requirements. Silver Pumps has control over the entire value chain allowing it to implement customizations and develop innovative, specialized products tailored to customer needs.

### 2.1.5 Indian pump market's B2B segment dominates the market in both FY25 and FY30, contributing majority of the revenue

Indian pump market is expected to grow at a CAGR ~9.24% over FY25-30, with B2B & B2C segments having ~12.20% and 0.73% CAGR respectively. B2B segment holds a larger share throughout the period and contributes significantly to overall market growth. It represents 70.00% of the market in FY25 and increases to nearly 80.00% in FY30. Although the B2C market grows, its contribution to total market size diminishes over time as B2B growth accelerates. The much higher growth rate of the B2B segment compared to the B2C segment suggests a strong shift towards industrial and commercial usage of pumps.

**Indian pump market segmentation – by sales channel**  
(INR B, FY25-30P)



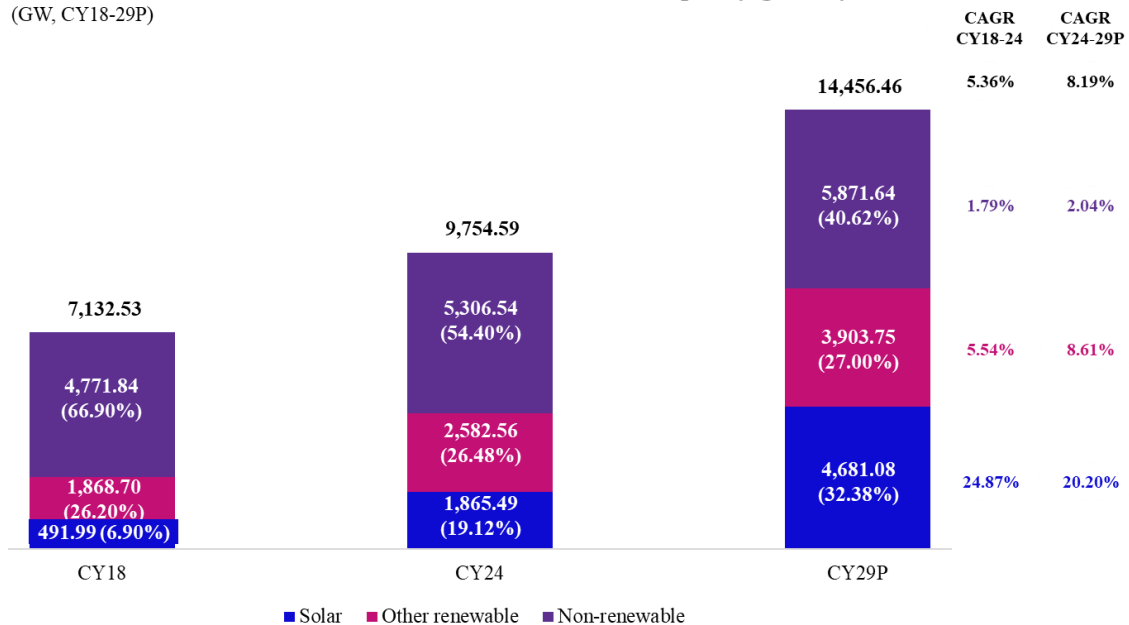
Source(s): 1Lattice analysis

**2.1.6 Overview of solar PV module**

**2.1.6.1 Overview of the global solar energy industry**

Solar energy is rapidly gaining global popularity due to its environmental benefits. As a clean and renewable resource, it serves as an effective alternative to traditional energy sources. Globally, solar energy's share in overall power generation installed capacity has grown from 6.90% in CY18 to 19.12% in CY24 at a CAGR of 24.87%. It is expected to reach 32.38% of global installed capacity by CY29, growing at a CAGR of 20.20% during CY24-29. The share of renewable energy (solar + other renewables) in total power generation capacity has increased from 33.10% in CY18 to 45.60% in CY24. It is projected to reach 59.38% by CY29, reflecting a global transition toward sustainable energy sources and reduced reliance on non-renewable energy.

**Share of renewable & non-renewable sources installed capacity globally**  
(GW, CY18-29P)



Note(s): Other renewable include wind, hydro, & bio power  
Source(s): Ministry of New and Renewable Energy, 1Lattice analysis

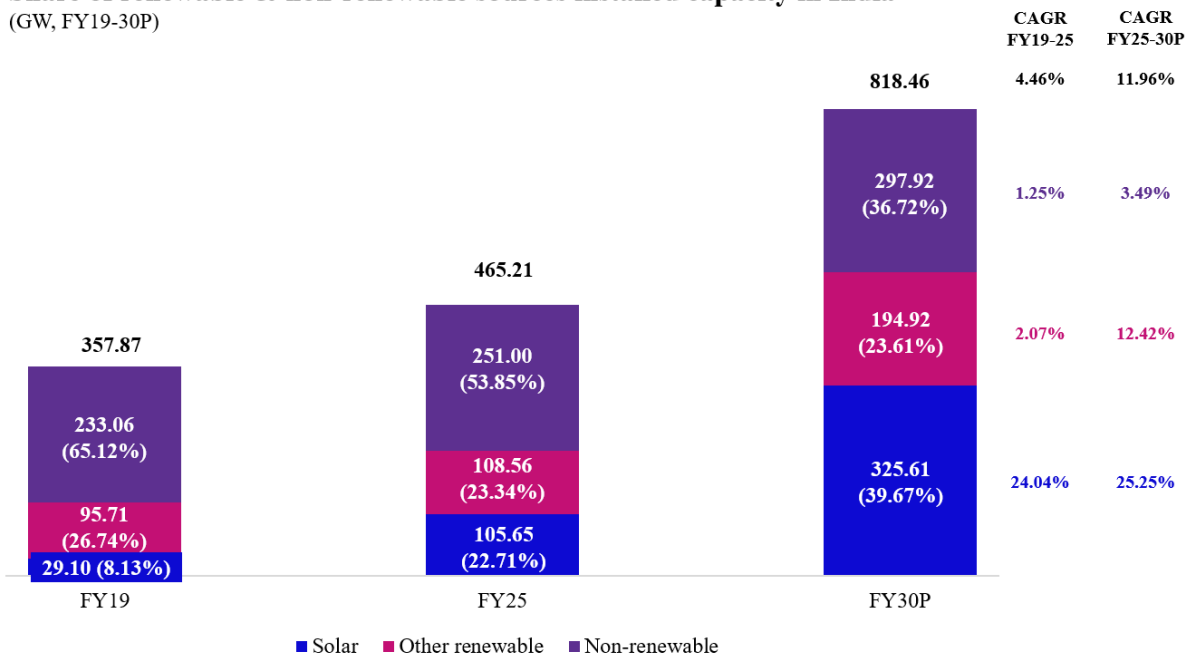
The annual global solar installed capacity was 491.99 GW in CY18 and was 1,865.49 GW in CY24. In CY18, China was the leading contributor, accounting for 35.62% of the total installed capacity, followed by the Japan and USA at 11.42% & 10.57% respectively. Germany and India contributed 9.18% and 5.59%, respectively. By CY24, China remained the dominant contributor with 47.60%, followed by the USA at 9.51%. Japan and Germany contributed 4.91% & 4.82% respectively, while India accounted for 5.22%.

### 2.1.6.2 Overview of the Indian solar energy industry

India is leading the shift to renewable energy with solar power playing a key role in meeting its growing electricity needs. The 14th National Electricity Plan (NEP14), introduced in May 2023, aims to double the country’s electricity production by CY32, with solar energy at the heart of this effort. This transformation is reflected by the growing contribution of solar energy and other renewable sources to the energy mix. The share of solar energy in the overall power generation installed capacity rose from 8.13% in FY19 to 22.71% in FY25, reflecting a CAGR of 24.04%. It is expected to reach 39.67% by FY30, growing at a CAGR of 25.25% during FY25-30. Solar energy is the fastest-growing segment in India's installed energy capacity, surpassing both renewable and non-renewable sources due to its scalability, declining costs, and government support. Meanwhile, renewable energy’s (solar + other renewables) share in total power generation installed capacity increased from 34.88% in FY19 to 46.15% in FY25 and is anticipated to grow to 63.28% by FY30. These trends highlight India’s strong commitment to expanding renewable energy infrastructure and achieving a sustainable, balanced energy mix.

#### Share of renewable & non-renewable sources installed capacity in India

(GW, FY19-30P)



Note(s): Other renewable include wind, hydro, bio & small hydro power  
 Source(s): Ministry of New and Renewable Energy, I.Lattice analysis

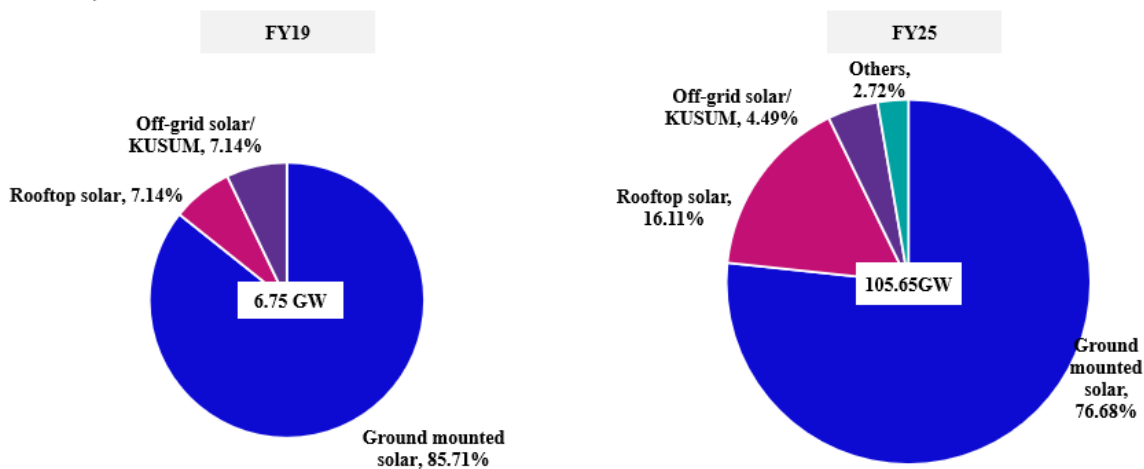
The Indian government is prioritizing solar power to tackle environmental challenges and support the nation’s increasing energy demands. This focus underscores India’s commitment to lowering carbon emissions and adopting sustainable, cleaner energy solutions over traditional sources

|   |   |
|---|---|
| <b>Production Linked Incentive (PLI) Scheme</b> | <ul style="list-style-type: none"> <li>Aims to strengthen domestic solar module manufacturing and reduce reliance on imports</li> <li>With a budget of US\$ 2.90B, it targets production of high-efficiency solar photovoltaic (PV) modules</li> </ul>  |
| <b>Proposed solar cities and parks</b>          | <ul style="list-style-type: none"> <li>Government has authorized 50 solar parks across 12 states, targeting a total capacity of 37.99 GW</li> <li>Currently, 11 parks have been fully completed, and 7 are partially completed, with nearly 10.24 GW of solar projects developed within these parks</li> </ul>            |
| <b>PM-KUSUM Scheme</b>                          | <ul style="list-style-type: none"> <li>Targets adding 34.80 GW of solar power by FY26, with a focus on the agricultural sector</li> <li>Key measures include decentralized solar plants, converting diesel pumps to solar power, and solarizing grid-connected agriculture pumps using locally made components</li> </ul> |
| <b>Pradhan Mantri Suryodaya Yojana</b>          | <ul style="list-style-type: none"> <li>Launched in January '24, the scheme aims to reduce grid-connected electricity consumption by installing rooftop solar systems in 10M households</li> <li>It targets achieving 40 GW of rooftop solar capacity by 2026</li> </ul>   |

Annual new solar installed capacity addition in India was 6.75 GW in FY19 and reached 29.80 GW in FY25, reflecting a CAGR of 28.08%. It is expected to reach 106.52 GW by FY30, growing at a CAGR of 29.02% during FY25-30.

The ground-mounted solar segment holds the largest share in annual new solar installed capacity addition in India, contributing 85.71% in FY19 and 76.68% in FY25. It is followed by the rooftop and off-grid solar/KUSUM segments, with the rooftop solar segment contributing 7.14% in FY19 and 16.11% in FY25, while the off-grid solar/KUSUM segment contributed 4.49% in both FY19 and FY25.

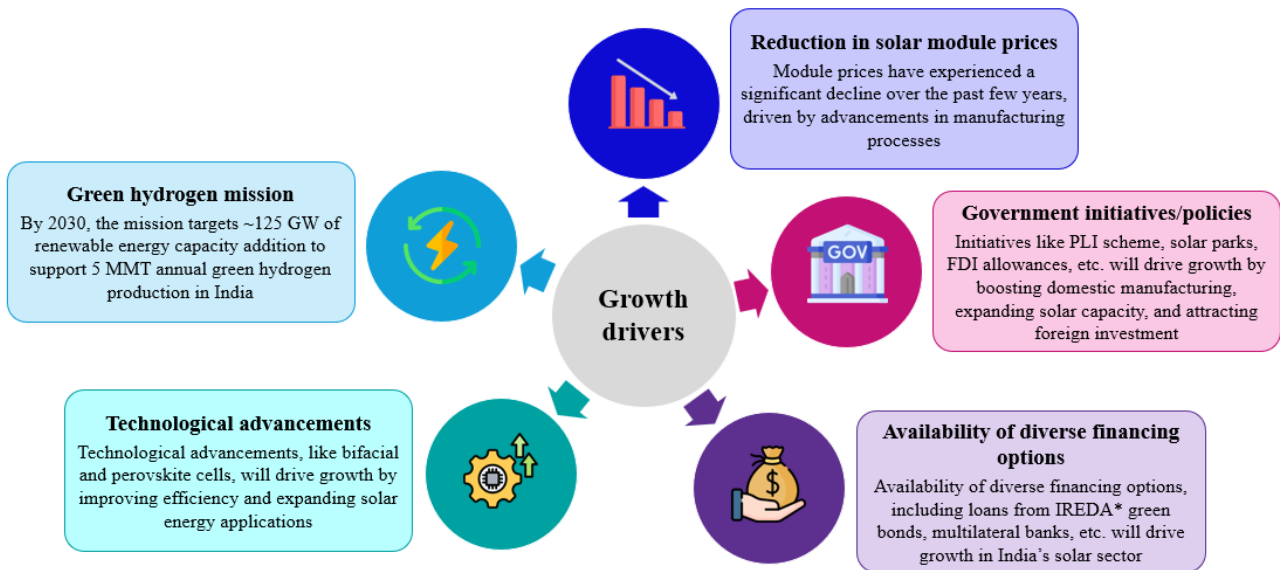
**Annual new solar installed capacity addition in India by segments**  
(%, FY19-25)



Source(s): Ministry of New and Renewable Energy, I Lattice analysis

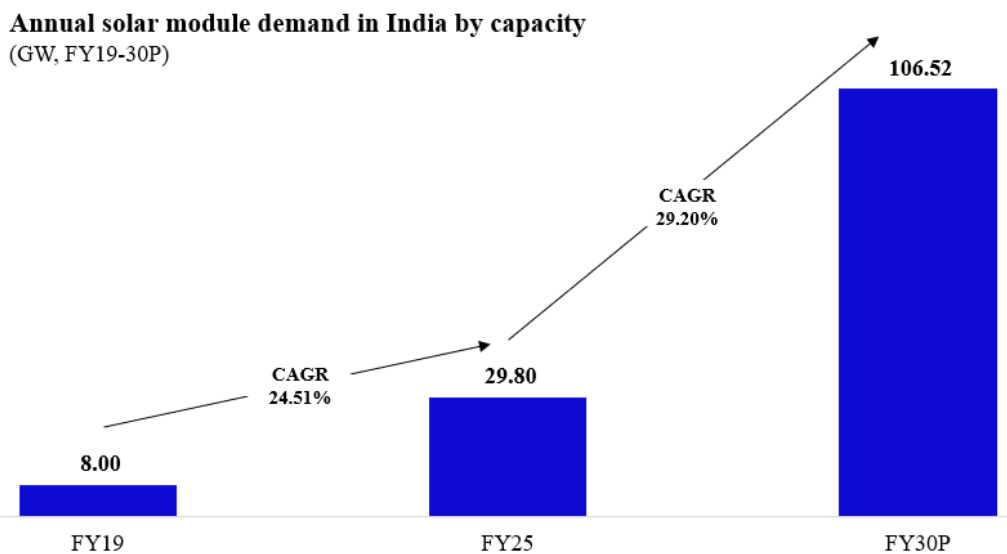
### Key drivers for new solar installed capacity additions in India

India's solar capacity addition growth is driven by reducing module prices, government initiatives like the PLI scheme and solar parks, diverse financing options such as Indian Renewable Development Agency (IREDA) loans and green bonds, advancements in technologies like bifacial and perovskite cells, and green hydrogen mission.



**2.1.6.3 Annual solar module demand in India was 29.80 GW in FY25 is expected to reach 106.52 GW by FY30, growing at a CAGR of 29.20% during FY25-30**

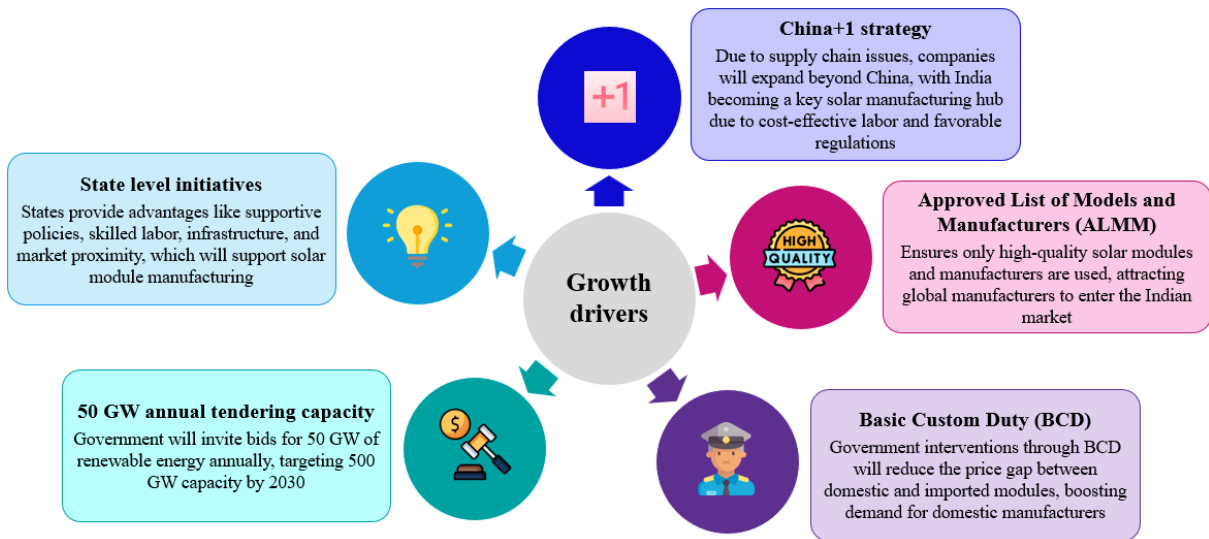
Annual solar module demand in India has experienced significant growth in recent years. It was 8.00 GW in FY19 and reached 29.80 GW in FY25, reflecting a CAGR of 24.51%. It is expected to reach 106.52 GW by FY30, growing at a CAGR of 29.20% during FY25-30. This robust growth underscores India's commitment to expanding its solar energy capacity and achieving its renewable energy goals.



Source(s): Ministry of New and Renewable Energy, I-Lattice analysis

**Growth of the solar module market driven by domestic manufacturing in India**

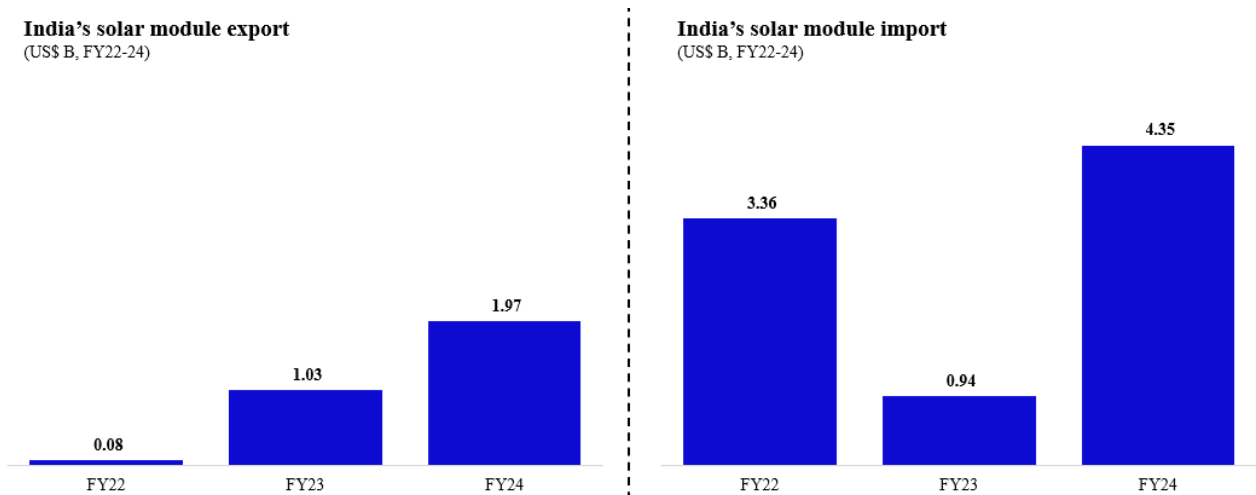
India's solar module market is set for growth, driven by the China+1 strategy, which positions India as a key manufacturing hub. Policies like the Approved List of Models and Manufacturers (ALMM) ensure quality modules, while Basic Custom Duty (BCD) reduces the price gap between domestic and imported modules. The government's 50 GW annual tendering targets 500 GW by 2030, supported by state-level initiatives offering skilled labour, infrastructure, and favourable policies.



#### 2.1.6.4 India's solar module export and import trends

India's solar module exports have been growing significantly since FY22. The solar module exports were valued at ~US\$ 0.08B in FY22 and reached ~US\$ 1.97B in FY24, reflecting an impressive CAGR of ~396.24%. The rise in exports is driven by both domestic and global factors. Delays in implementing India's Approved List of Models and Manufacturers (ALMM) shifted some domestic demand, enabling manufacturers to focus on more profitable export opportunities. Additionally, many countries have adopted a "China+1" strategy, diversifying their supply chains and turning to India as an alternative solar module supplier.







India's solar module imports have been fluctuating. They were valued at ~US\$ 3.36B in FY22 and dropped to ~US\$ 0.94B in FY23 due to tariff impositions and a shift towards strengthening domestic manufacturing. However, imports rose to ~US\$ 4.35B in FY24, primarily due to the Ministry of New and Renewable Energy's suspension of the ALMM order for projects commissioned until March 2024.



Source(s): Department of commerce, I.Lattice analysis

#### Major export destinations for Indian solar modules

Indian solar module exports were valued at ~US\$ 0.08B in FY22 and grew significantly to ~US\$ 1.97B in FY24, reflecting a robust CAGR of ~396.24%. The USA dominated as the primary export destination, accounting for ~97.31% of the cumulative export value during FY22-FY24. Other destinations included Somalia (~0.57%), South Africa (~0.47%), UAE (~0.31%), and Afghanistan (~0.24%).

| Country  | FY22<br>(US\$ M) | FY23<br>(US\$ M) | FY24<br>(US\$ M) | FY22-24<br>cumulative % |
|--|------------------|------------------|------------------|-------------------------|
|  USA          | 60.75            | 1,000.30         | 1,939.92         | 97.31%                  |
|  Somalia      | 7.77             | -                | 9.86             | 0.57%                   |
|  South Africa | 4.55             | 5.15             | 4.73             | 0.47%                   |
|  UAE          | 1.97             | 5.67             | 2.00             | 0.31%                   |
|  Afghanistan  | 2.57             | 4.03             | 0.91             | 0.24%                   |
|  Others       | 5.91             | 16.22            | 11.71            | 1.10%                   |
| <b>Total</b>   | <b>83.52</b>     | <b>1,031.37</b>  | <b>1,969.13</b>  | <b>100.00%</b>          |

Source(s): Department of commerce, ILLattice analysis

### 2.1.6.5 Risks & challenges

India's solar module industry faces significant challenges, including a heavy reliance on government support, which makes it vulnerable to policy changes. The limited domestic production capacity for raw materials and modules necessitates continued imports, exposing manufacturers to global trade shifts. Additionally, rapid technological advancements and rising competition from global players setting up local facilities threaten the competitiveness of domestic manufacturers.

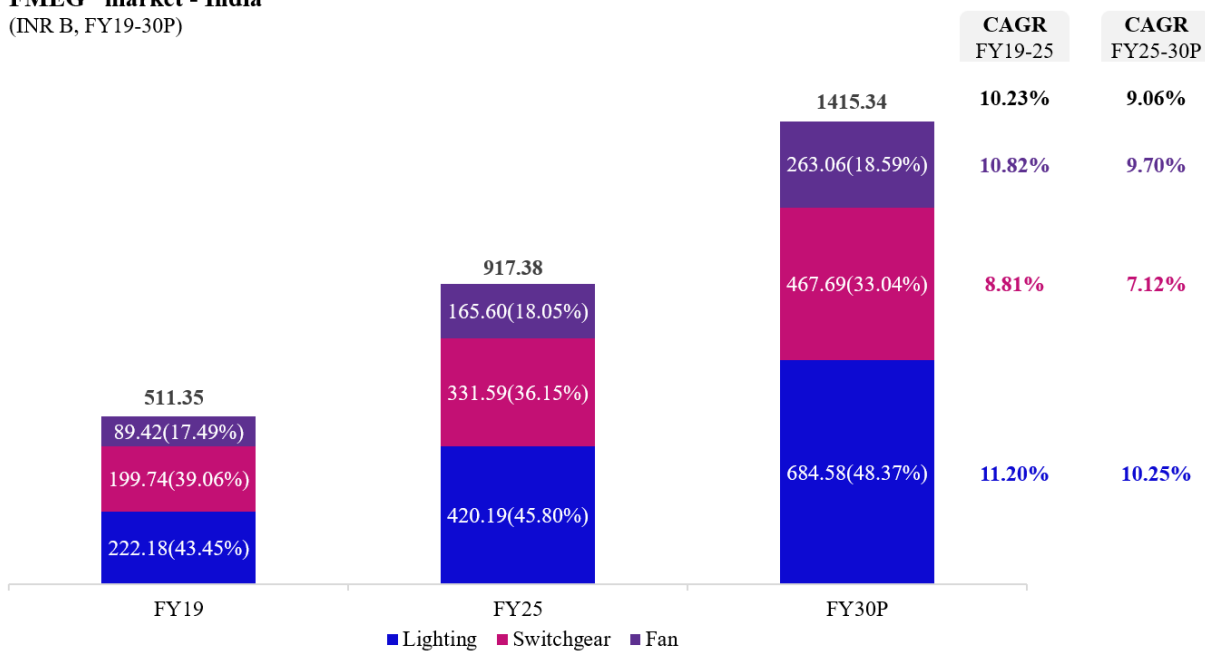
- **Change in government policy:** The domestic market largely depends on government support through various measures, but policy changes could significantly disrupt its stability
- **Import-export regulations:** India's limited capacity to produce raw materials, solar cells, and modules will lead to continued imports, making manufacturers vulnerable to changes in global trade policies and duties
- **Technological challenges:** Solar PV manufacturing is moving towards cheaper and more efficient modules. Rapid technological changes and shifting demand make it challenging to maintain quality and adapt to innovations
- **Rising competition:** Domestic manufacturers in India may face competition from global and local new players setting up facilities, with price drops and lack of economies of scale challenging their competitiveness

## 2.2 FMEG market

### 2.2.1 Indian FMEG market size and segmentation by product type (FY19-30)

India's FMEG market, comprising of lighting, switchgears and fans, was valued at INR 511.35B in FY19, which increased to INR 917.38B in FY25. It is further expected to increase to INR 1,415.34B by FY30, growing at a CAGR of 9.06%. Major segments under FMEG market include lighting and switchgear, with market size >INR 300B in FY25. The lighting segment's contribution to the FMEG market is expected to rise from 45.80% in FY25 to 48.37% by FY30, growing at a CAGR of 10.25% during FY25-30. The switchgear and fan markets are expected to grow at CAGRs of 7.12% and 9.70% respectively during FY25-30. The FMEG market is expected to grow on the back of increasing urbanization and infrastructure development.

**FMEG\* market - India**  
(INR B, FY19-30P)

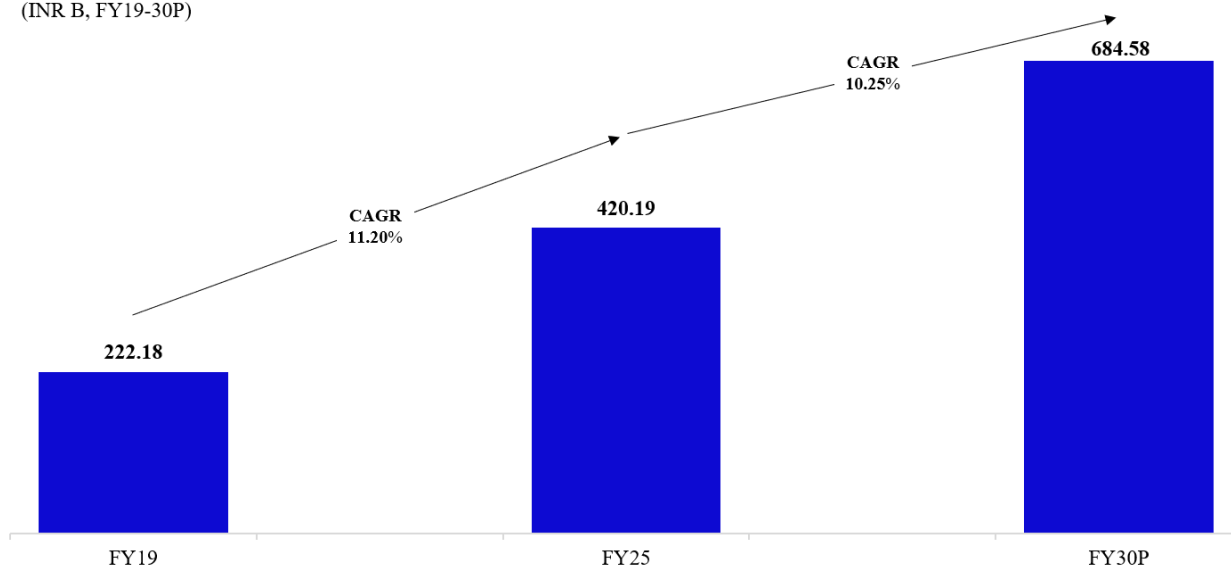


Note(s): \*includes lighting, switchgears & fans  
Source(s): I.Lattice analysis

**2.2.1.1 Indian lighting market was valued at INR 420.19B in FY25, expected to grow at CAGR of 10.25% during FY25-30, to reach INR 684.58B by FY30**

Indian lighting market, comprising of LEDs and conventional lighting products (incandescent lamps, compact fluorescent lamps (CFLs), etc.) was valued at INR 420.19B in FY25, growing from INR 222.18B in FY19, at a CAGR of 11.20% during FY19-25. The lighting market is further projected to grow at a CAGR of 10.25% during FY25-30, to reach 684.58B by FY30.

**Lighting market size - India**  
(INR B, FY19-30P)



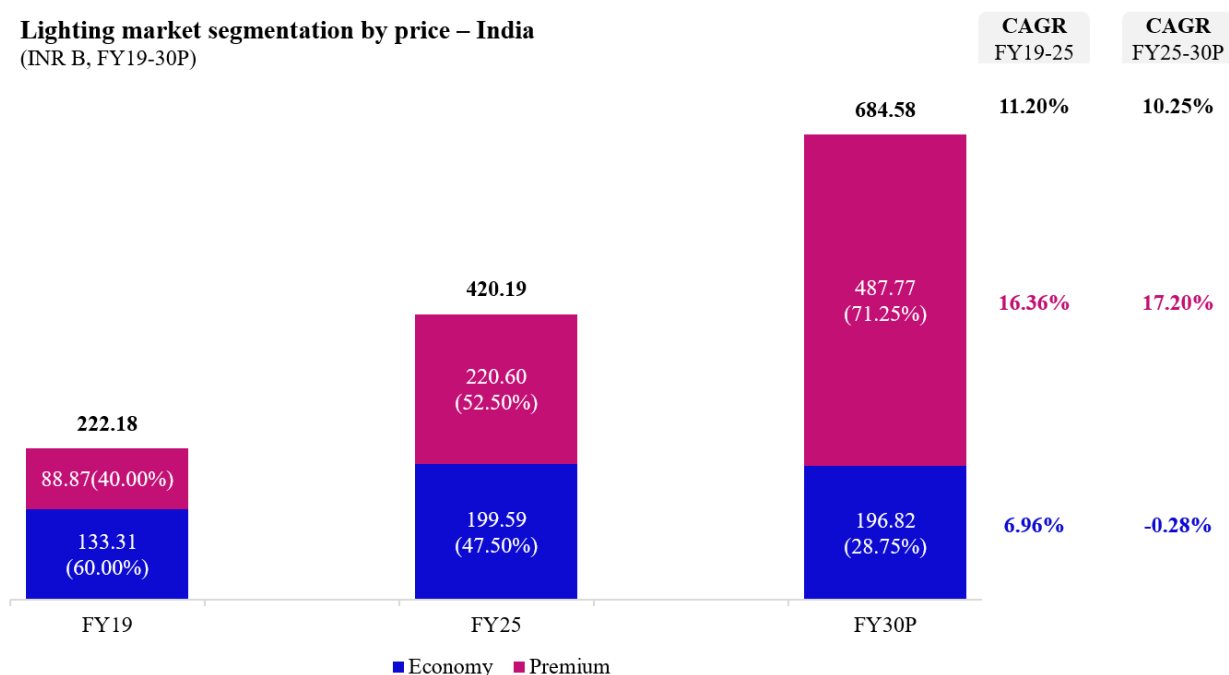
Source(s): I.Lattice analysis

**Currently lighting market has almost equal contributions from economy and premium segments, however, the premium segment is expected to grow to 71.25% by FY30**

In the Indian lighting market, the economy segment is contributing 47.50% share, while the premium segment makes up 52.50% of the market. The lighting market is experiencing a shift towards premiumization, with the premium segment's contribution rising from 52.50% to 71.25% by FY30. Leading companies within the segment are launching

smart 'IoT enabled' lighting products, 3-in-1 (offering cool, warm and natural white lighting) lighting products and other value-adding features.

**Lighting market segmentation by price – India**  
(INR B, FY19-30P)

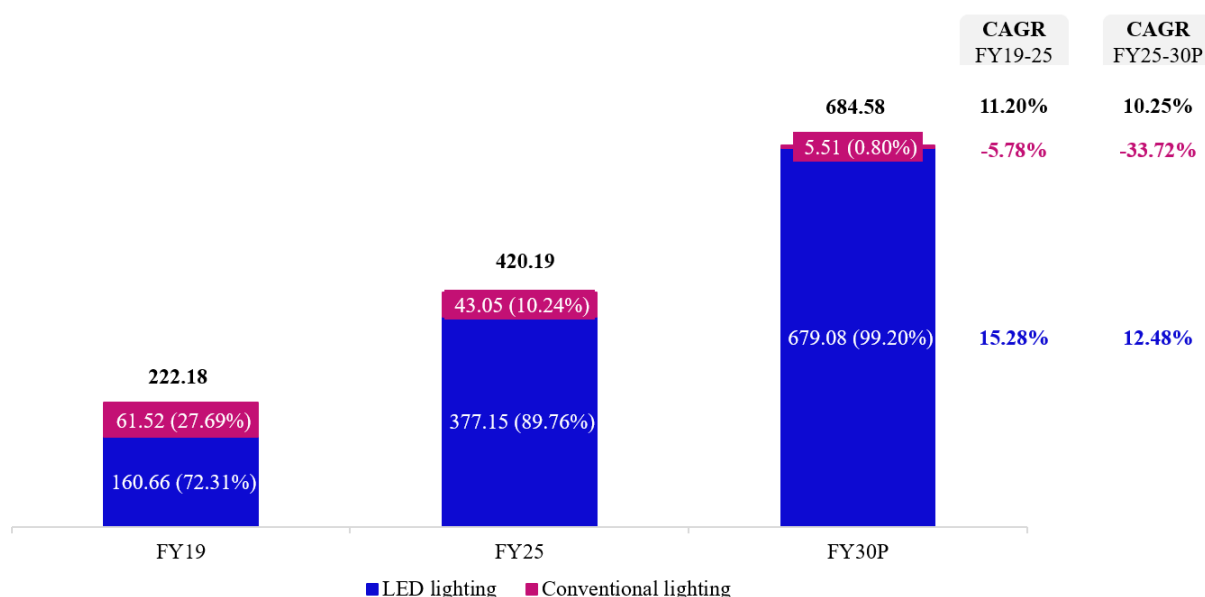


Source(s): ILattice analysis

**The Indian lighting market has steadily shifted from conventional lighting to LED lighting; LED lighting made up 89.76% of the lighting market in FY25, which is expected to rise to 99.20% by FY30**

The Indian lighting market, on the basis of technology, can be segmented into two segments, LED (light emitting diode) lighting and conventional lighting. Conventional lighting includes compact fluorescent lamps (CFLs), incandescent lamps and other conventional lighting types.

**Lighting market by type - India**  
(INR B, FY19-30P)



Source(s): ILattice analysis

The LED lighting segment was valued at INR 377.15B in FY25. The segment is projected to reach INR 679.08B by FY30, growing at a CAGR of 12.48% from FY25-30. Rising energy efficiency awareness and government initiatives promoting LED adoption, along with decreasing prices and replacement demand are expected to drive market growth for LED lighting.

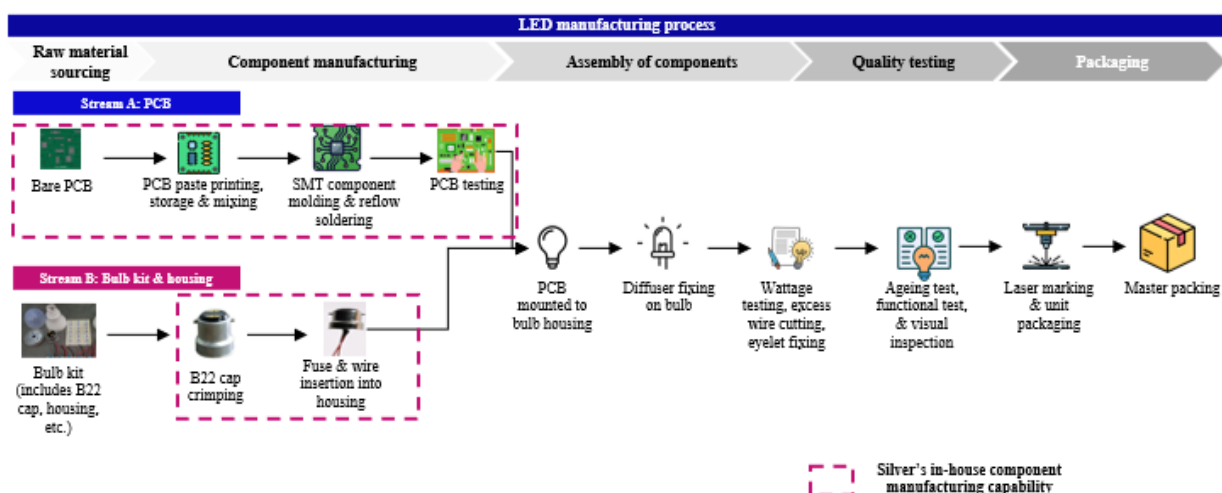
The conventional lighting segment decreased from INR 61.52B in FY19 to INR 43.05B in FY25. It is projected to further reduce significantly by FY30. Enhanced energy efficiency and life of LED lighting has been a key reason for the shift of preference from conventional lighting to LED lighting. LED lighting maintains the largest market share in the lighting market, significantly exceeding the market of conventional lighting. This difference in scale between the segments reflects the rapid shift towards energy-efficient lighting solutions in the Indian lighting industry.

### Manufacturing value chain

The manufacturing value chain for lighting consists of 2 key streams: PCB & the bulb kit and housing. The process goes across various stages such as component manufacturing, assembly of components, quality testing & packaging. In this, certain steps are outsourced while some are done in-house. At an industry level:

- **Raw material sourcing:** Bare PCBs & bulb kits (B22 cap, housing, etc.) are typically outsourced.
- **Component manufacturing:** For PCB, printing, SMT moulding & reflow soldering and testing are done in-house. For bulb kit & housing, B22 cap crimping & insertion of fuses & wires into housing are done in-house.
- **Assembly of components:** PCB mounting to the housing and assembly of components like diffuser done in-house.
- **Quality testing:** Tests like the ageing tests & other quality checks are done in-house.
- **Packaging:** Brands generally manage their packaging setups and handle the process in-house.

At an industry level, 40% of the process is outsourced for the manufacturing of LED with remaining 60% being backward integrated.



The company has built in-house capabilities for key LED light components, including bare PCBs, SMT moulding, reflow soldering, , and fuse-wire insertion. This integrated setup ensures streamlined operations and strict quality control, supported by PCB testing to validate performance and reliability.

### LED chip manufacturing

LED chips are thin, flat discs of semiconductor material that form the foundational layer for manufacturing light-emitting diodes (LEDs). Made from specialized semiconductor compounds, these chips are critical for ensuring the performance, efficiency, and reliability of LED devices.

They are widely used across applications such as automotive headlamps, traffic signals, general lighting, stage lighting, advertising displays, medical devices, smartphones, TVs, industrial equipment and horticultural grow lights. Advanced micro-LED chips further enable high-resolution displays with integrated features like self-testing and temperature sensing.

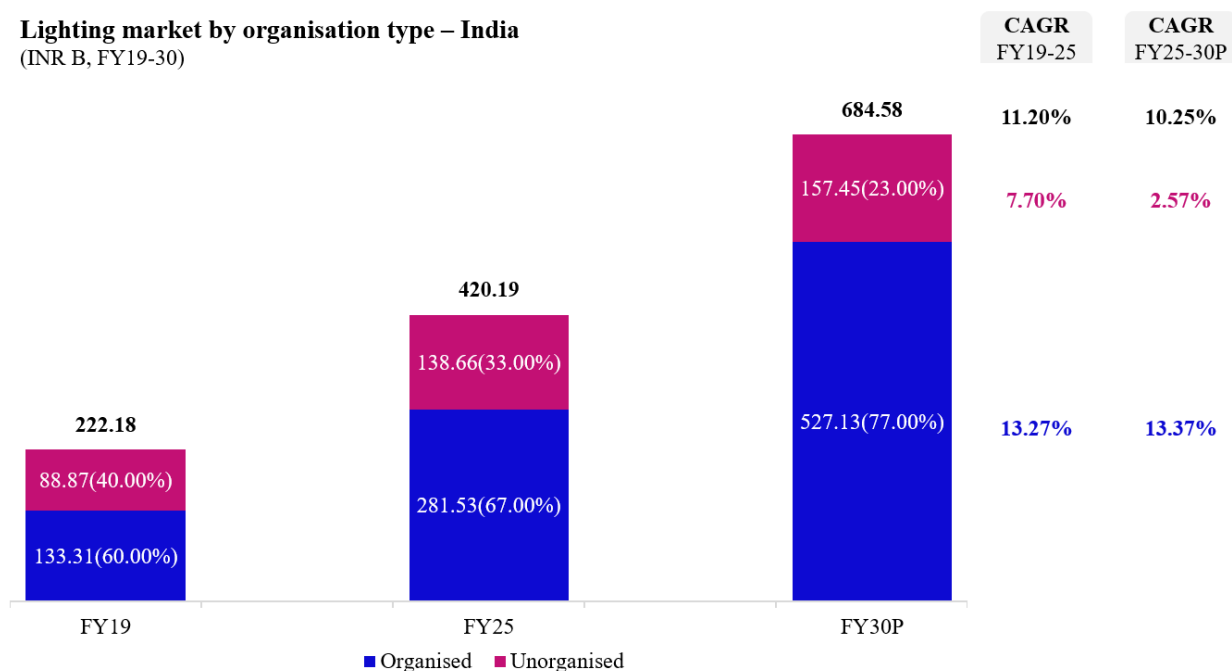
The company plans to set up an LED chip manufacturing line in FY26. This would help enhance production efficiency, reduce material costs, optimize chip performance, and ensure tighter quality control across the LED manufacturing process:

- **Manufacturing efficiency:** Wafer processing, chip cutting, and micro-LED formation are essential for ensuring chip performance and size consistency. The wafer-based approach allows manufacturers to produce multiple LED chips simultaneously from a single wafer, improving production efficiency

- **Performance optimization:** Material uniformity and consistency are core guarantees for the performance of micro-LED chips. The uniform growth of epitaxial materials and wafer surface treatment directly impacts optoelectronic performance, brightness uniformity, and yield rate
- 

### Indian lighting market is mostly organised, with organised market making up 67.00% of Indian lighting market in FY25

Indian lighting industry demonstrates a clear shift in favour of organised players, with the organised market's share expanding significantly from 60.00% to 67.00% between FY19 and FY25. The market's transformation is expected to continue through FY30 with the share increasing to 77.00% in the overall lighting market. This shift in the market is due to the increased prevalence of new and value-added features such as IoT connected lighting solutions. This trend is also driven by the increased prevalence of relatively higher priced lighting solutions such as downlights.



Source(s): ILattice analysis

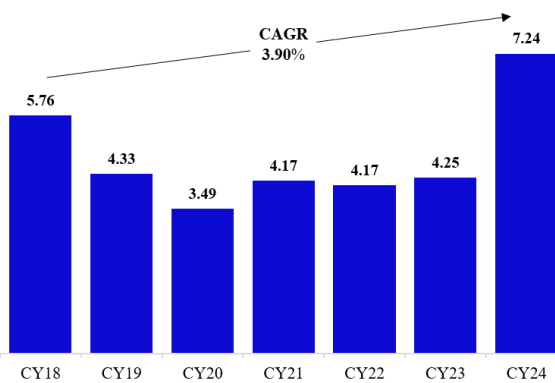
Key growth drivers for organised lighting market:

- **Energy efficient lighting:** Category evolution towards energy efficiency and standardization is driving market transformation, with LED lights increasingly replacing conventional lighting products. This shift is supported by regulatory push for energy-efficient solutions and industry-wide standardization of specifications, leading to organised market development.
- **Institutional sales:** Institutional sales through government initiatives, particularly through programs like UJALA (Unnat Jyoti by Affordable LEDs for All) and SLNP (Street Lighting National Programme) are exclusively accessible to branded players, effectively restricting unbranded player participation in this market segment.
- **Strategic investments:** Recent investments by players like Signify, Havells and other organised players is helping drive growth of organised market. Organised players are leading product innovation with features like IoT enabled lighting, shifting demand towards organised players.

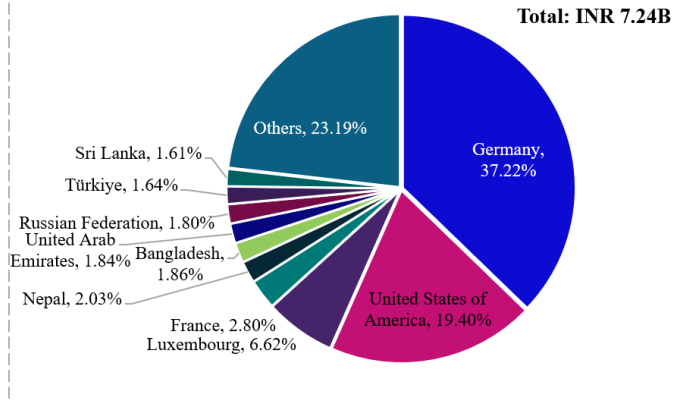
### Lighting exports from India stood at INR 7.24B in CY24, Germany accounted for 37.22% of the exports

Lighting exports from India stood at INR 4.33B in CY19 and the market experienced a decline during CY19-23 but increased again in CY24 reaching a value of INR 7.24B. Lighting exports from India experienced a CAGR of (3.90%) during CY19-24. Germany accounted for the biggest share in Indian lighting exports, 37.22%, in CY24, followed by United States of America (19.40%).

**Lighting exports from India**  
(INR B, CY18-24)



**Key countries India exports to**  
(%, CY24)

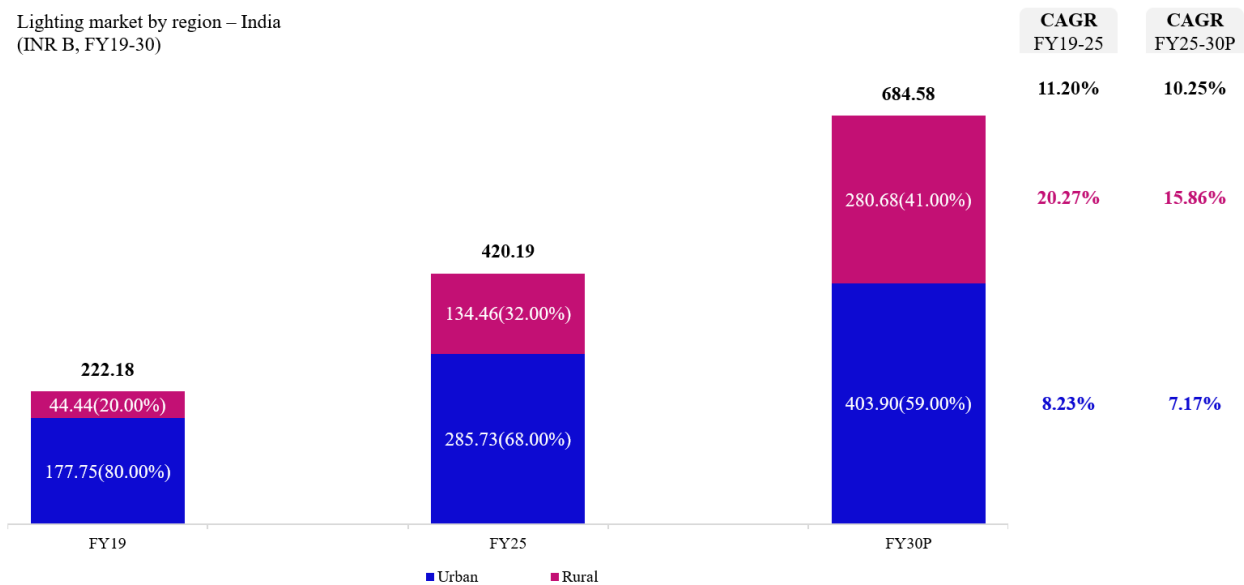


Note(s): HSN code 8539 (electric filament or discharge lamps, incl. sealed beam lamp units and ultraviolet or infra-red lamps; arc lamps; light-emitting diode "LED" light sources; parts thereof)  
Source(s): ITC TradeMap, I.Lattice analysis

**In the Indian lighting market, urban regions contributed 68.00% in FY25, share of rural regions expected to rise to 41.00% by FY30**

In Indian lighting market, urban regions made up 68.00% of the market in FY25, while rural regions made up 32.00%. Rural regions share is expected to rise to 41.00% by FY30 due to rising disposable income in rural regions along with rising electrification. Though urban share is expected to decrease from 68.00% to 59.00% during FY25-30, the urban lighting market is expected to grow at CAGR of 7.17% during FY25-30.

**Lighting market by region – India**  
(INR B, FY19-30)

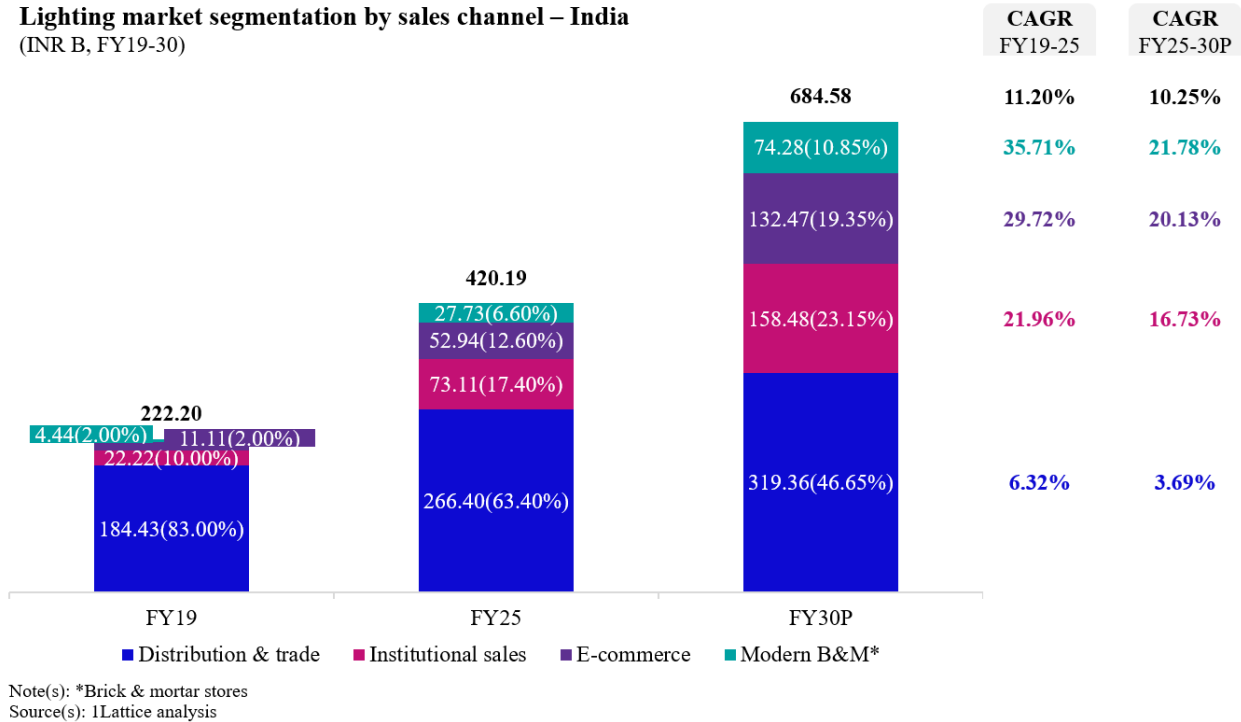


Source(s): I.Lattice analysis

**Distribution and trade's share in Indian lighting market expected to decrease from 63.40% in FY25 to 46.65% by FY30, with e-commerce share expected to reach 19.35% by FY30**

Distribution and trade made up 63.40% of lighting sales in FY25, which is expected to reduce to 46.65% by FY30. This reduction in share of distribution and trade is accompanied by increase in share of e-commerce and modern brick and mortar, which are expected to rise from 12.60% and 6.60% in FY25, to 19.35% and 10.85% respectively by FY30. Institutional sales are expected to rise from a share of 17.40% in FY25 to 23.15% in FY30.

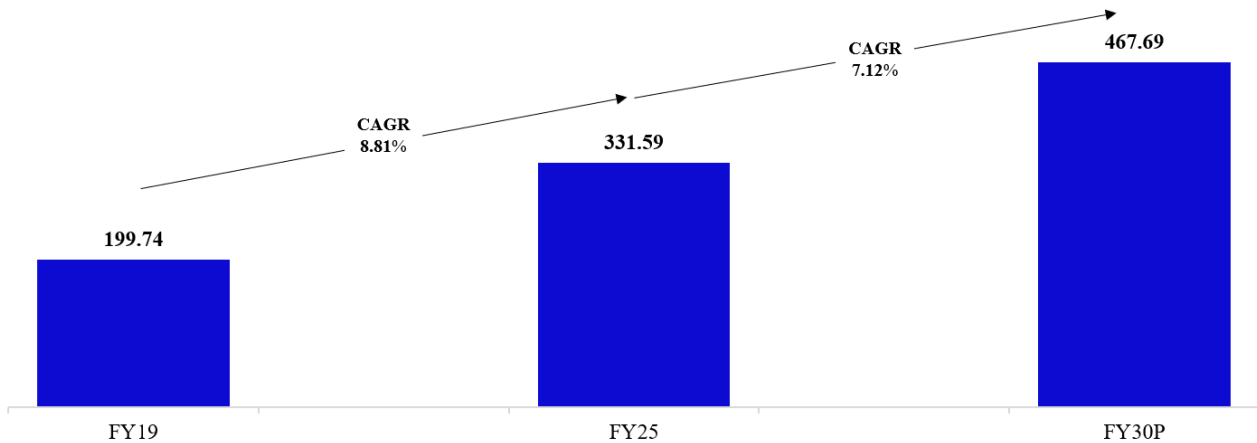
**Lighting market segmentation by sales channel – India**  
(INR B, FY19-30)



**2.2.1.2 Indian switchgear market valued at INR 331.59B in FY25, expected to grow at a CAGR of 7.12% during FY25-30**

Indian switchgear market, comprising of low voltage (“LV”), medium voltage (“MV”) and high voltage (“HV”) switchgear, was valued at INR 331.59B in FY25. The market is further projected to grow at a CAGR of 7.12% during FY25-30, to reach 467.69B by FY30.

**Switchgear market size - India**  
(INR B, FY19-30P)



The Indian switchgear market is experiencing steady growth, driven by increased urbanization, electrification, and rising demand across residential, commercial, and industrial sectors. The demand for branded switchgear in particular is rising due to the risk of short-circuits and subsequent loss of lives, due to this, consumers demand certifications for switchgear, which unbranded players often lack. The market is also witnessing the growing adoption of advanced technologies. The shift towards smart grids, smart meters, and energy-efficient power distribution systems is contributing significantly to the expansion of the switchgear market.

Furthermore, the ongoing replacement of outdated power infrastructure and the push for modernization are creating growth opportunities. This, coupled with the growing need for reliable and safe electrical products, is expected to drive continued demand for switchgears in the coming years.

### Indian switchgear market by type

Switchgear market can be divided into two categories basis voltage:

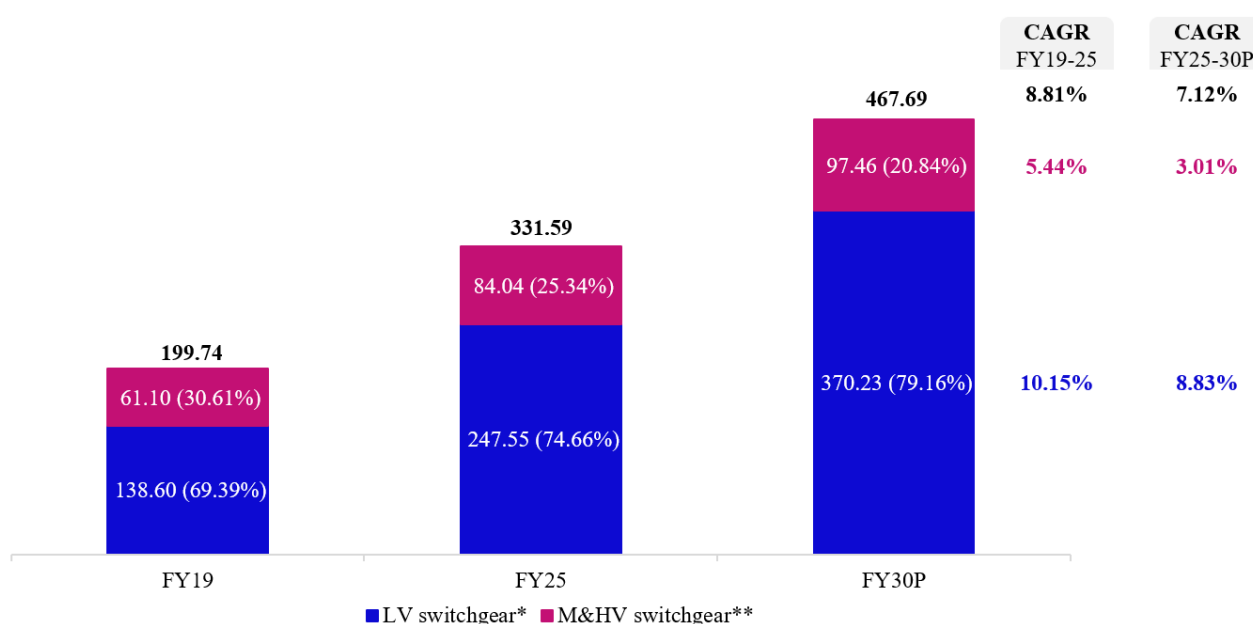
1. Light switchgear (LV) switchgear
2. Medium and heavy (M&HV) switchgear

LV switchgears are mainly used in residential and commercial real estate sectors. M&HV switchgears are largely used in industrial and power utilities setups. LV switchgears make 74.66% of the Indian switchgear market in FY25. Share of low voltage switchgear is expected to rise, basis rise in demand for quality switchgear in real estate sector.

LV switchgear is the fastest growing segment in the Indian switchgear market and is expected to grow at CAGR of 8.83% during FY25-30. This growth is led by rise in demand of smart and energy efficient switchgears along with replacement demand for ageing power infrastructure. LV switchgear market requires high customer connect and a retail led selling and distribution channel, below the line activities (BTL) like telemarketing, incentives, exhibitions, etc. are keyways to drive sales at retail level.

#### Switchgear market by type - India

(INR B, FY19-30P)



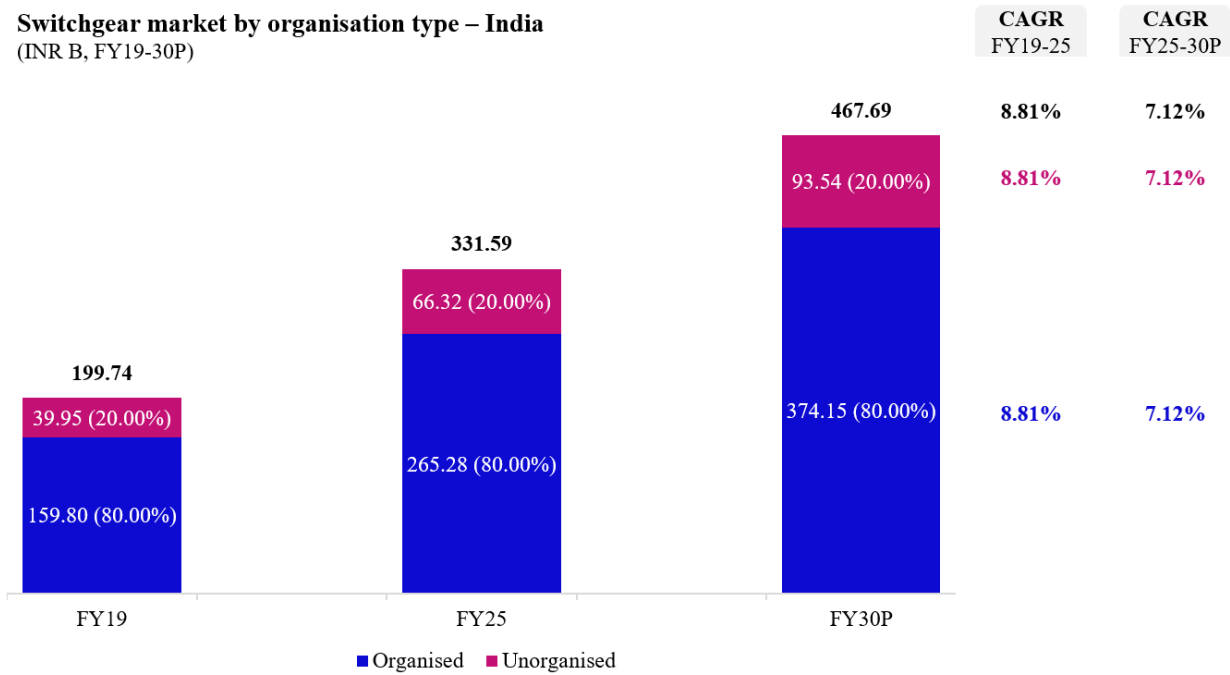
Note(s): \*Low voltage, \*\*Medium & high voltage

Source(s): 1Lattice analysis

### Indian switchgear market is highly organised, with the organised market making up 80.00% of the switchgear market in FY25

Indian switchgear market is highly organised, with organised players capturing 80.00% of the market. The share of the organised market is expected to remain constant in the future. This is mainly due to switchgear being a non-essential purchase driven by convenience and safety; hence it has a low contribution in the price-conscious unorganised market.

**Switchgear market by organisation type – India**  
(INR B, FY19-30P)

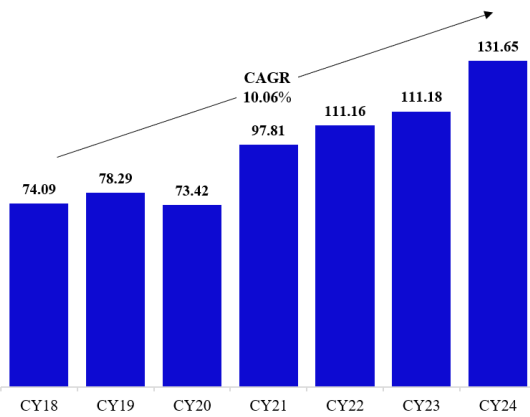


Source(s): I Lattice analysis

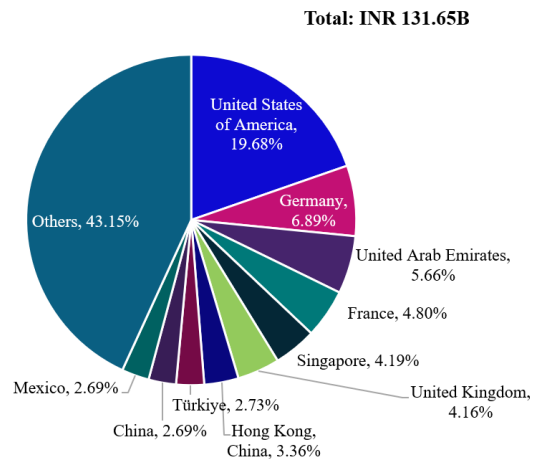
**Switchgear exports from India stood at INR 131.65B in CY24, United States of America accounted for 19.68% of the exports**

India’s switchgear exports (HSN code- 8535 and 8536) stood at INR 131.65 in CY24, with the market experiencing a CAGR of 10.06% during CY18-24. The United States of America was the largest contributor (19.68%) followed by Germany (6.89) and UAE (5.66%).

**Switchgear exports from India**  
(INR B, CY18-24)



**Key countries India exports to**  
(%, CY24)

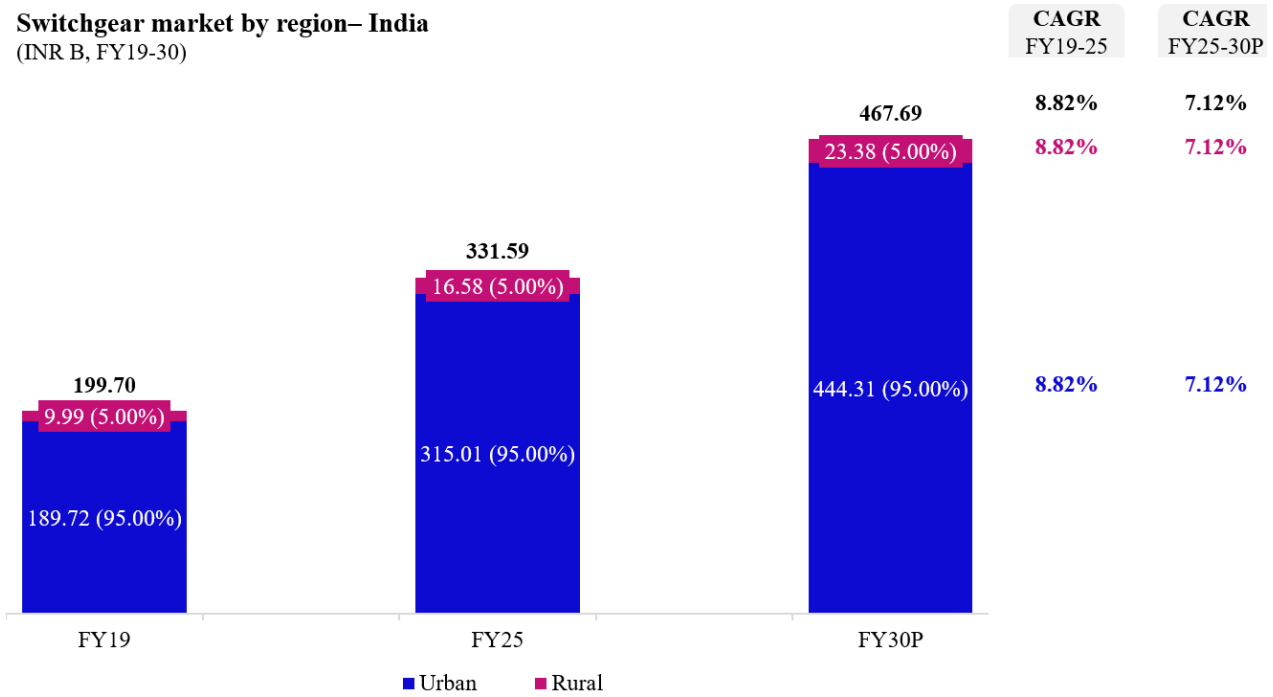


Note(s): HSN codes: 8535 & 8536 (electrical apparatus for switching or protecting electrical circuits, or for making connections)  
Source(s): ITC TradeMap, I Lattice analysis

**Indian switchgear market is majorly comprised of urban demand, 95.00% in FY25, due to limited rural penetration**

Indian switchgear market is largely held by urban region (95.00% share), rural region contributes just 5.00% in the Indian switchgear market. Electrical equipment aimed at providing safety to electrical circuits often count as good to have and not critical equipment in rural setting. Urban electrical infrastructure is much more complex and developed, comprising of multiple switchgear equipment like circuit breakers, fuses, relays, etc. compared to rural electrical infrastructure, leading to disproportionately high share of urban regions.

**Switchgear market by region– India**  
(INR B, FY19-30)

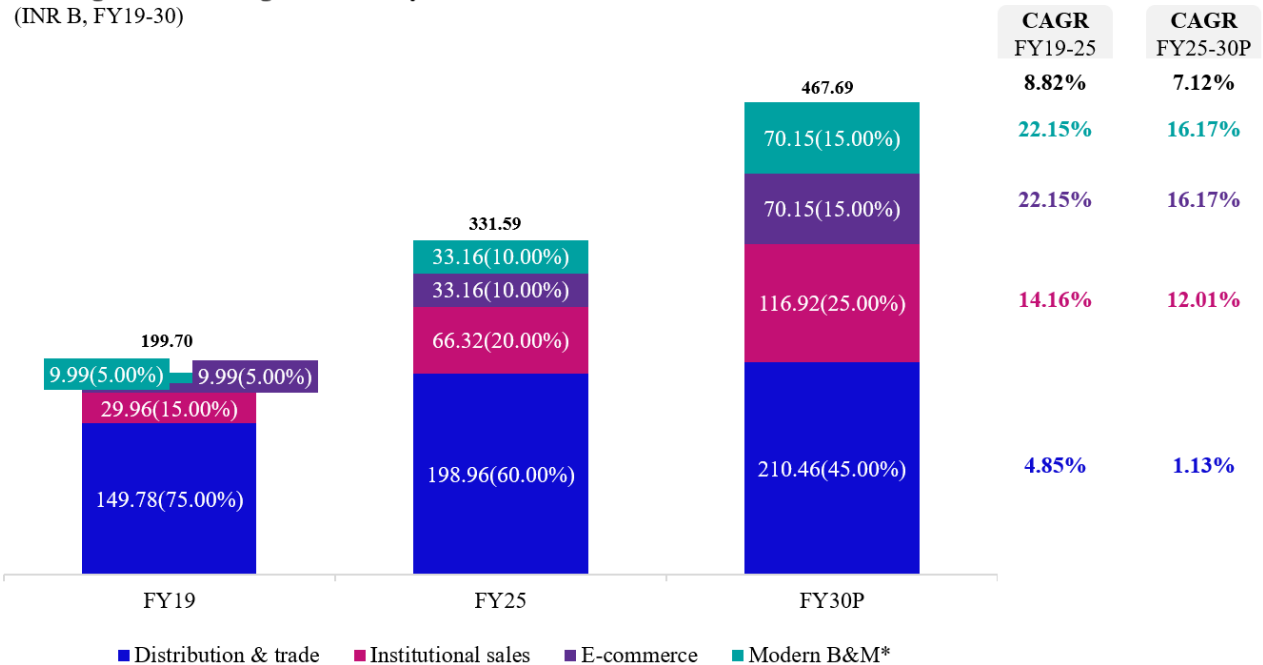


Source(s): I Lattice analysis

**Distribution and trade made up 60.00% of Indian switchgear market in FY25, e-commerce and modern brick and mortar stores expected to make 15.00% by FY30**

Distribution and trade made up 60.00% of switchgear sales in FY25, which is expected to reduce to 45.00% by FY30. This reduction in share of distribution and trade is accompanied by increase in share of e-commerce and modern brick and mortar, which are expected to rise from 10.00% each in FY25, to 15.00% each by FY30. Institutional sales are expected to rise from a share of 20.00% in FY25 to 25.00% in FY30.

**Switchgear market segmentation by sales channel – India**  
(INR B, FY19-30)

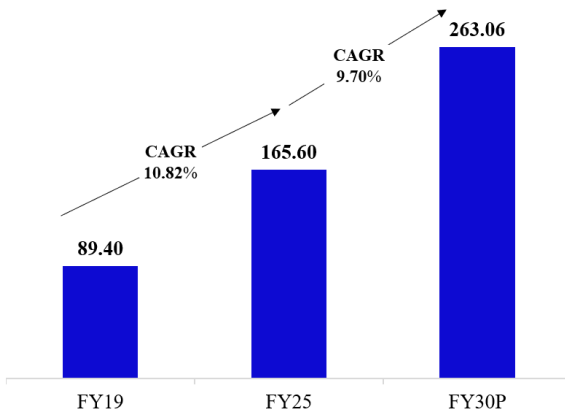


Note(s): \*Brick & mortar stores  
Source(s): I Lattice analysis

**2.2.1.3 Indian fan market was valued at INR 165.60B in FY25, expected to grow at a CAGR of 9.70% during FY25-30, reaching INR 263.06B by FY30**

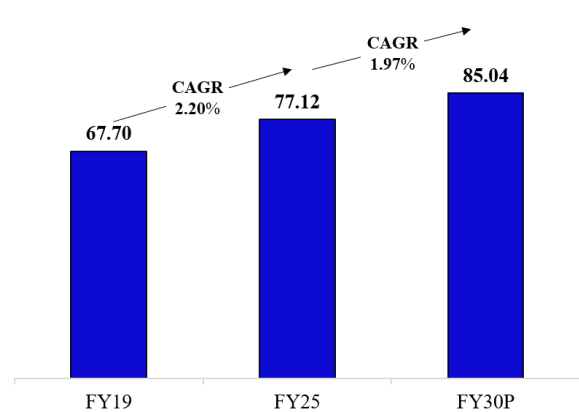
Indian fan market, comprising of ceiling fans, TPW (table, pedestal and wall) fans and others (industrial fans, exhaust fans and others) was valued at INR 165.60B in FY25, with volume sales standing at 77.12M units during the same period, an increase from FY19 figures of INR 89.40B (by value) and 67.70M (by volume). The market, by value, is expected to grow at CAGR of 9.70% from FY25-30, to reach INR 263.06B by FY30, while, in volume terms, the market is expected to rise to 85.04M by FY30.

**Fan market size - India**  
(INR B, FY19-30P)



Source(s): I Lattice analysis

**Fan market size - India**  
(#M, FY19-30P)



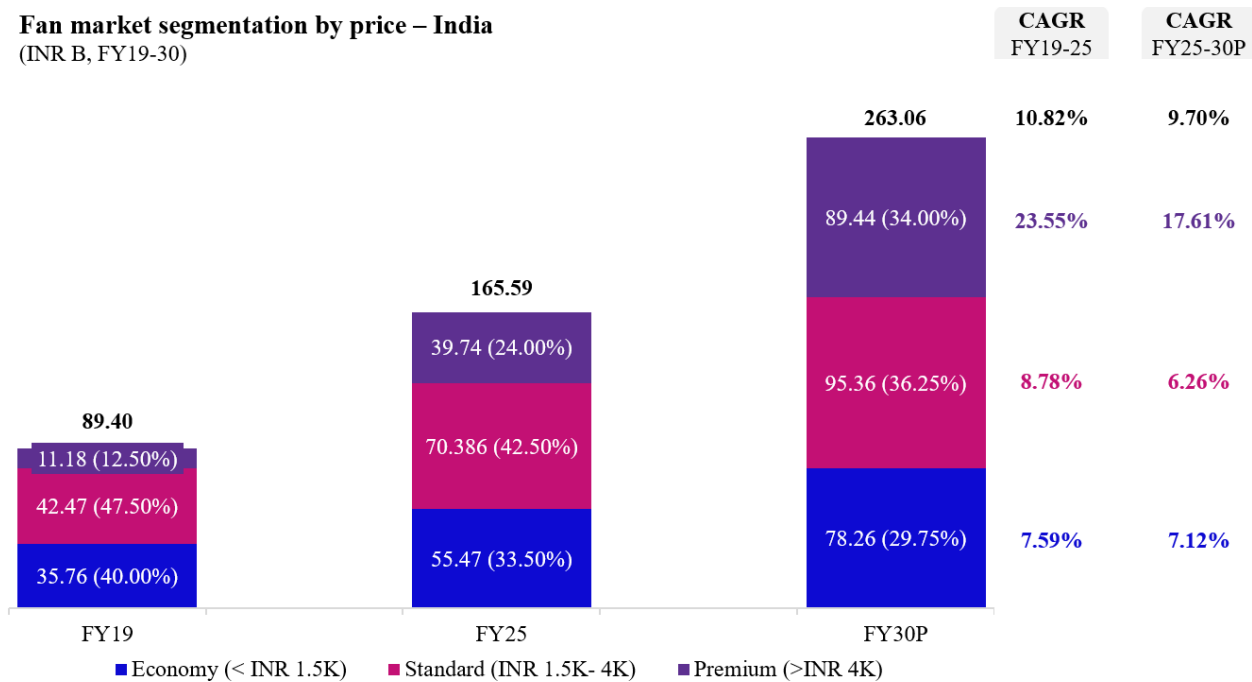
Source(s): I Lattice analysis

**Standard segment (INR 1.5K-4K) contributed 33.50% in the Indian fan market in FY25, making it the largest segment, premium segment (>INR 4K) is expected to grow fastest at a CAGR of 17.61% during FY25-30**

Based on price the Indian fan market can be classified into 3 segments:

1. Economy: Price less than INR 1.5K
2. Standard: Price ranging from INR 1.5K to 4K
3. Premium: Price more than INR 4K

**Fan market segmentation by price – India**  
(INR B, FY19-30)



Source(s): I Lattice analysis

The fan market is witnessing a rise in demand for aesthetic and feature loaded fans (IoT enabled), this is accompanied by the increasing disposable income which is growing purchasing power of consumers. Urban consumers are increasingly preferring premium fans with aesthetic features in a bid to enhance the visual appeal of interiors.

These factors have increased the share of the premium segment in the Indian fan market bringing it to 24.00% in FY25 from 12.50% in FY19. This growth is expected to continue in future with premium fans contributing 34.00% of the share in the market in FY30.

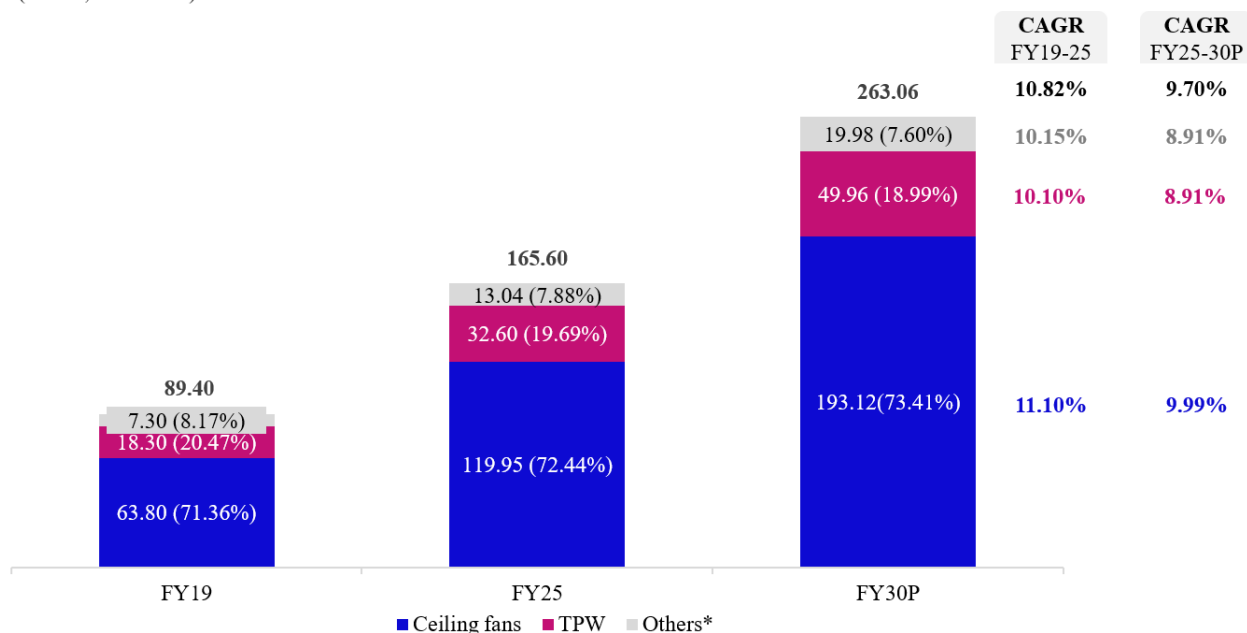
**Ceiling fans made up 72.44% of the Indian fan market in FY25, TPW made up 19.69% of the market, and others (industrial fans, exhausts, etc.) made up another 7.88%**

The Indian fan market is segmented into three categories:

1. Ceiling fans
2. TPW fans
3. Others (includes industrial fans, exhausts, etc.)

**Fan market by type - India**

(INR B, FY19-30P)



Note(s): \*Includes exhausts, industrial fans, etc.

Source(s): I Lattice analysis

The ceiling fans segment held the largest market share, 72.44%, valued at INR 119.95B, in FY25. The ceiling fans segment is expected to grow at a CAGR of 9.99% from FY25-30, reaching INR 193.12B. Rising electrification of the rural areas along with growing demand for premium fans, is expected to drive market growth for ceiling fans. The TPW fans segment held a market share of 19.69% in FY25, valued at INR 32.60M. It is projected to reach INR 49.96B by FY30 at a CAGR of 8.91% during FY25-30. The growth is expected to come due to the increasing temperatures, intense heatwaves during summers and the corresponding need for air circulation equipment.

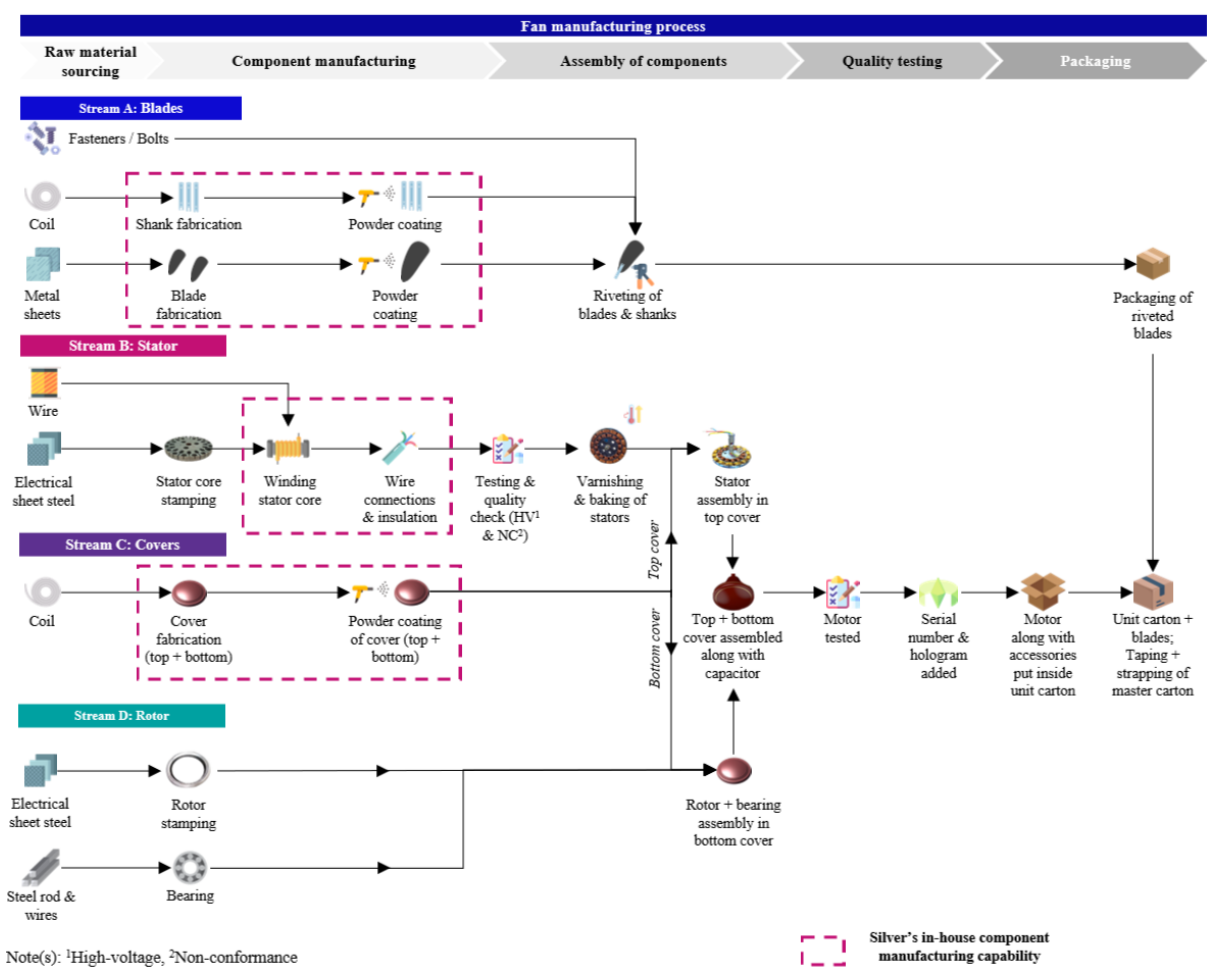
Key growth drivers for fans:

- Replacement demand in existing households is driving market growth, with consumers increasingly viewing fans as décor elements rather than purely functional items.
- Energy efficient fans, particularly BLDC fans, are witnessing increased demand, with rising costs and mandatory sustainability certifications like BEE.
- Cost-effective cooling proposition continues to drive fan adoption, particularly in price-sensitive markets like India.
- Fan exports have grown at 2.90% CAGR during CY19-23, exports are expected to drive further market growth

Ceiling fans maintain the largest market share among all segments, significantly exceeding the share of TPW fans. This difference in scale between the segments reflects established market dynamics in the Indian fan industry. Both segments show continued growth, with ceiling fans maintaining marginally higher growth rates throughout the forecast period.

**Manufacturing process value chain**

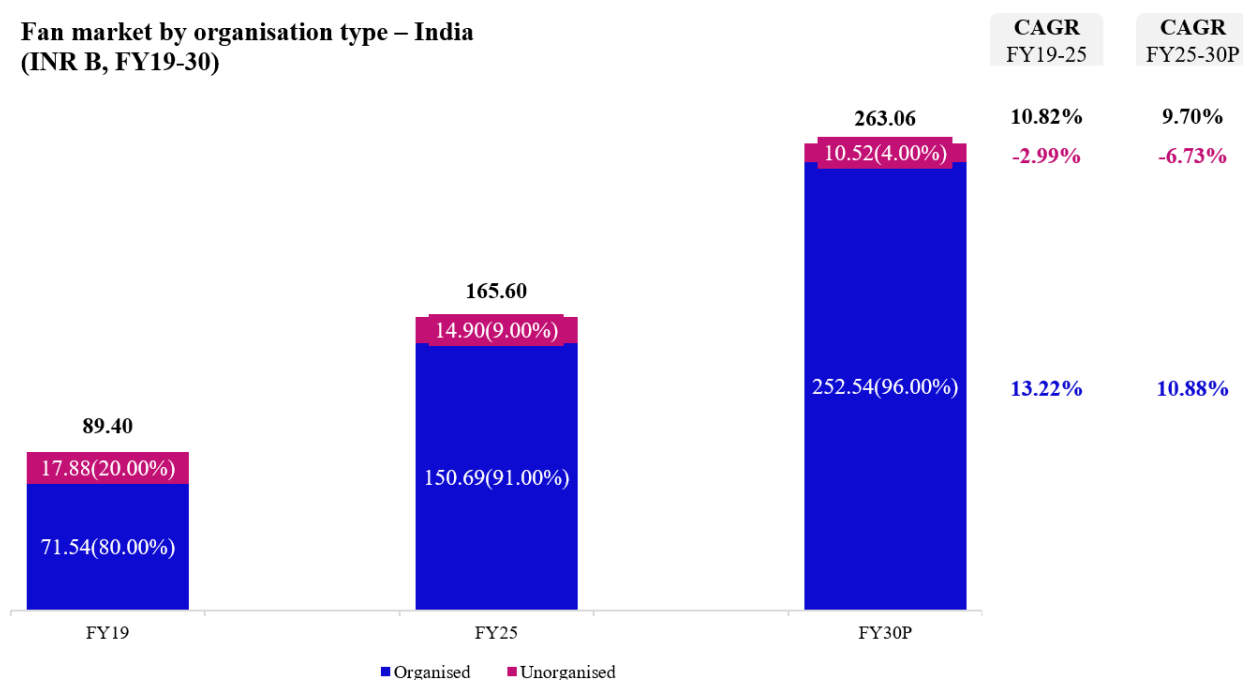
The manufacturing process for fans is split up into 4 streams; namely: blades, stators, covers & rotors. Silver has component manufacturing capabilities across blades, stators and covers.



**Indian fan market is highly organised, with organised market making up 91.00% of fan market in FY25**

Indian fan market is highly organised, with organised market having a market share of 91.00% of the overall fan market. As the market is shifting towards energy efficiency and premiumization, the share of the organised market in the overall fan market is rising and is expected to rise in the future. The organised market is expected to make up 96.00% of the overall fan market by FY30.

**Fan market by organisation type – India  
(INR B, FY19-30)**



Source(s): ILattice analysis

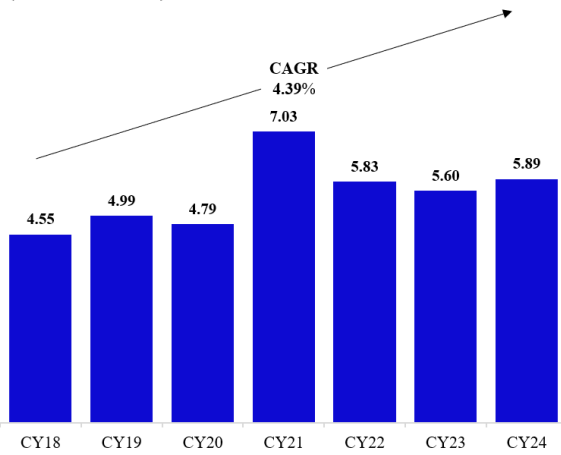
Key growth drivers for organised fan market:

- Mandatory energy efficiency rating:** Introduced by BEE in 2000s and made mandatory in 2023, star labelling for ceiling fans reflects a shift towards energy efficiency and standardization in the market. As energy efficiency becomes a key factor, branded players who comply with these standards are gaining a competitive advantage. In contrast, unbranded players, who do not adhere to these practices, are left to compete primarily on price. However, the introduction of the energy efficiency rating system will make it difficult for unbranded players to stay relevant. Over time, this will lead to the Indian ceiling fan market becoming fully star-rated, with unbranded products gradually being phased out.
- Strategic investments by players:** As new players and players from adjacent categories enter the fan industry, growth of branded players' share is expected to rise. Few examples include Bajaj Electricals amalgamating Matchwell Electricals (India) Limited in 1984. Havells entered fan industry in 2003 as part of its diversification strategy. Polycab, a well-known wires and cables manufacturer delved into fan industry in 2014. New age players like Atomberg are also driving strategic investments into the fan industry, spearheading charge of innovation in the industry. These investments coupled with innovation are expected to contribute to growth of organised / branded players in the Indian fan industry

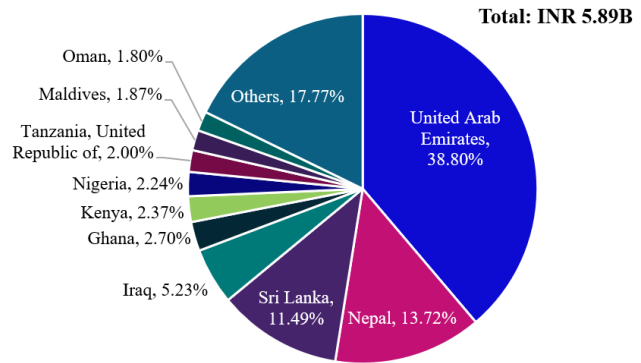
**India exported INR 5.89B worth of fans in CY24, United Arab Emirates accounting for 38.80% of the exports**

India fan exports were valued at INR 5.89B in CY24, experiencing a CAGR of ~4.39% during CY18-24. The United Arab Emirates was the largest contributor to India's fan exports, accounting for 38.80%, followed by Nepal, 13.72% and Sri Lanka, 11.49%, in CY24. The demand in the Middle East region (driven by the United Arab Emirates) is aided by a strong demand for fans (due to geographical conditions) and strong trade relations between the United Arab Emirates and India.

**Fan exports from India**  
(INR B, CY18-24)



**Key countries India exports to**  
(%, CY24)

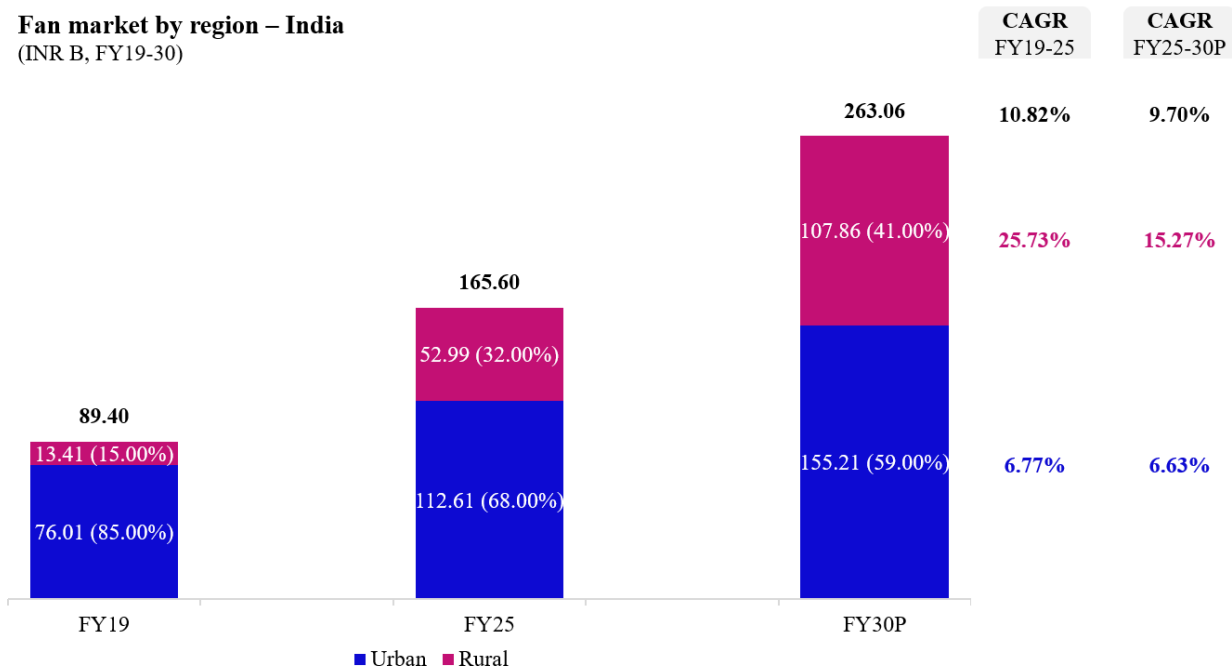


Note(s): HSN code 841451 (fans, including table, floor, wall, window, ceiling, or roof fans, with a self-contained electric motor that has an output of no more than 125 watts)  
Source(s): ITC TradeMap, I Lattice analysis

**In the Indian fan market, urban regions contributed 68.00% in FY25, share of rural regions is expected to increase to 41.00% in FY30**

In FY25, urban regions contributed 68.00% to the Indian fan market, while rural regions accounted for the remaining 32.00%. The rural market's share is projected to rise to 41.00% of the overall fan market by FY30. This growth is driven by several factors, including heat waves and erratic weather patterns, which have led to more frequent seasonally triggered purchases. Fans are increasingly preferred in rural areas as cost-effective alternatives to air coolers and air conditioners. Additionally, rising disposable incomes in rural regions are playing a significant role in boosting fan demand, further contributing to the increasing share of the rural market. As rural disposable incomes rise, economy and standard fans emerge as the primary entry point for first-time buyers, these fan segment benefit specifically from its optimal price-to-performance ratio.

**Fan market by region – India**  
(INR B, FY19-30)



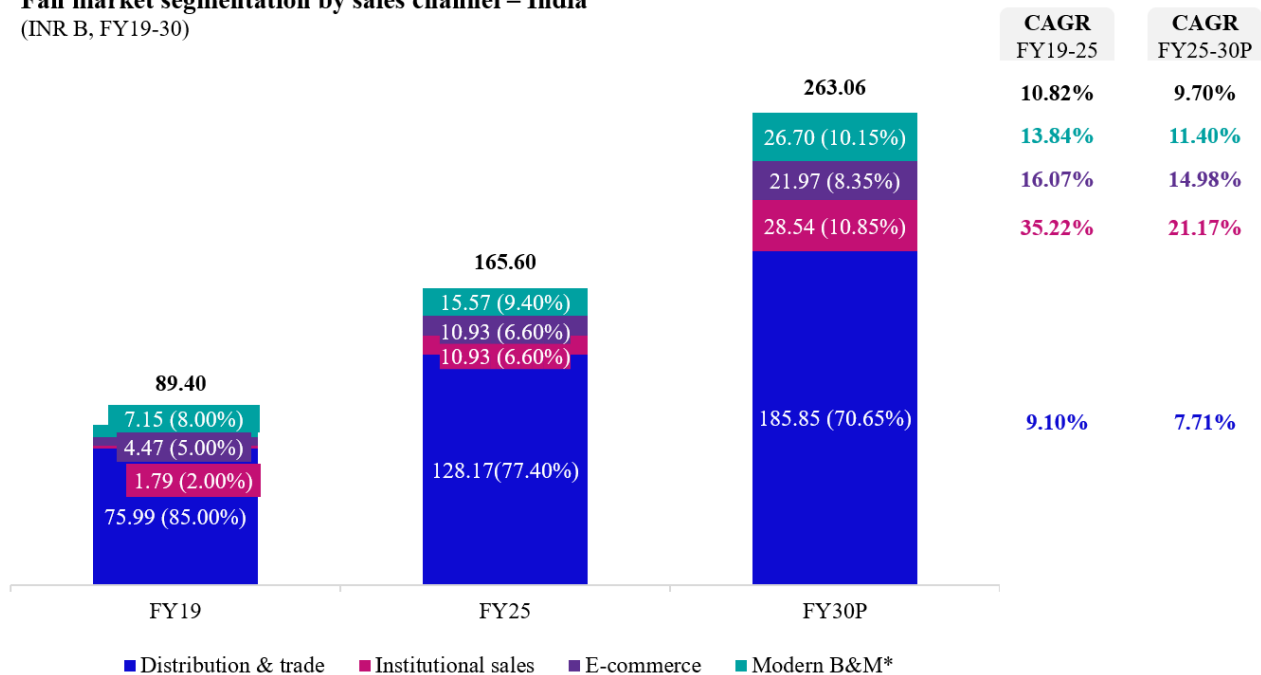
Source(s): I Lattice analysis

**Distribution and trade is predominant sales channel for fan market, e-commerce and modern brick and mortar stores are emerging sales channels**

Distribution and trade made up 77.40% of fan sales in FY25, which is expected to reduce to 70.65% by FY30. This reduction in share of distribution and trade is accompanied by increase in share of e-commerce and modern brick and

mortar, which are expected to rise from 6.60% and 9.40% in FY25, to 8.35% and 10.15% respectively. Institutional sales are expected to rise from a share of 6.60% in FY25 to 10.85% in FY30.

**Fan market segmentation by sales channel – India**  
(INR B, FY19-30)



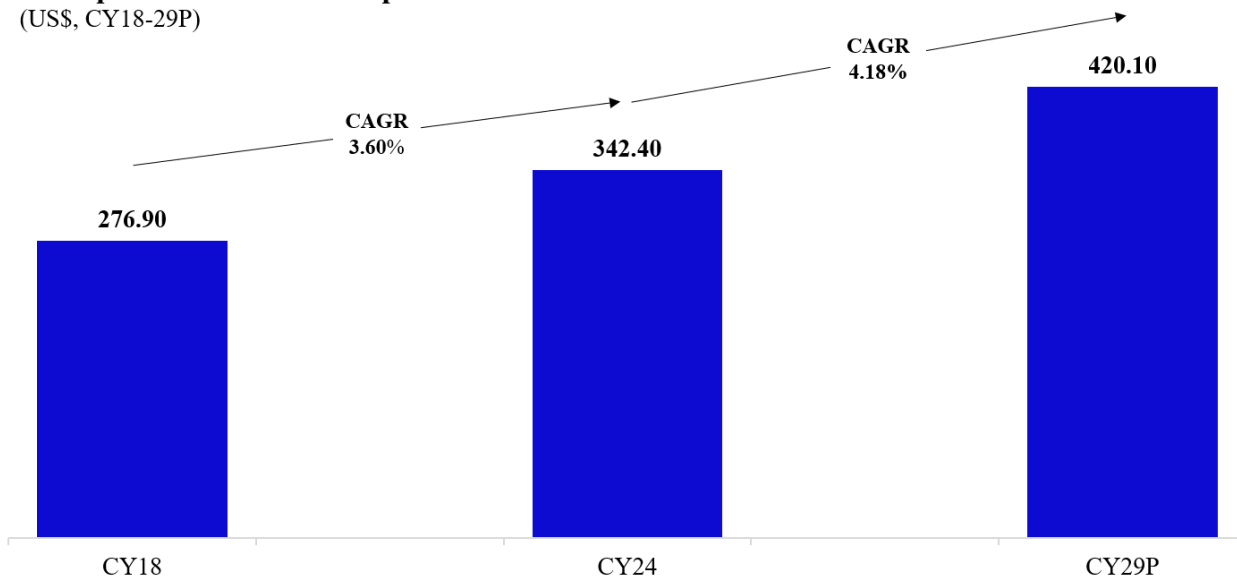
Note(s): \*Brick & mortar stores  
Source(s): 1Lattice analysis

**2.2.2 FMEG sector outlook**

**2.2.6.1 Per capita electronics consumption increasing and government initiatives**

The global FMEG market is witnessing robust growth, driven by increasing per capita consumption, premiumization, and the adoption of innovative technologies. In India, the sector holds immense potential as rising affluence, shorter replacement cycles, and growing household penetration drive demand. Government initiatives like Viksit Bharat, ONDC, PLI scheme, and Make in India are accelerating domestic manufacturing, technological advancements, and export growth. These efforts aim to position India as a global leader in consumer electronics while fostering economic growth and job creation.

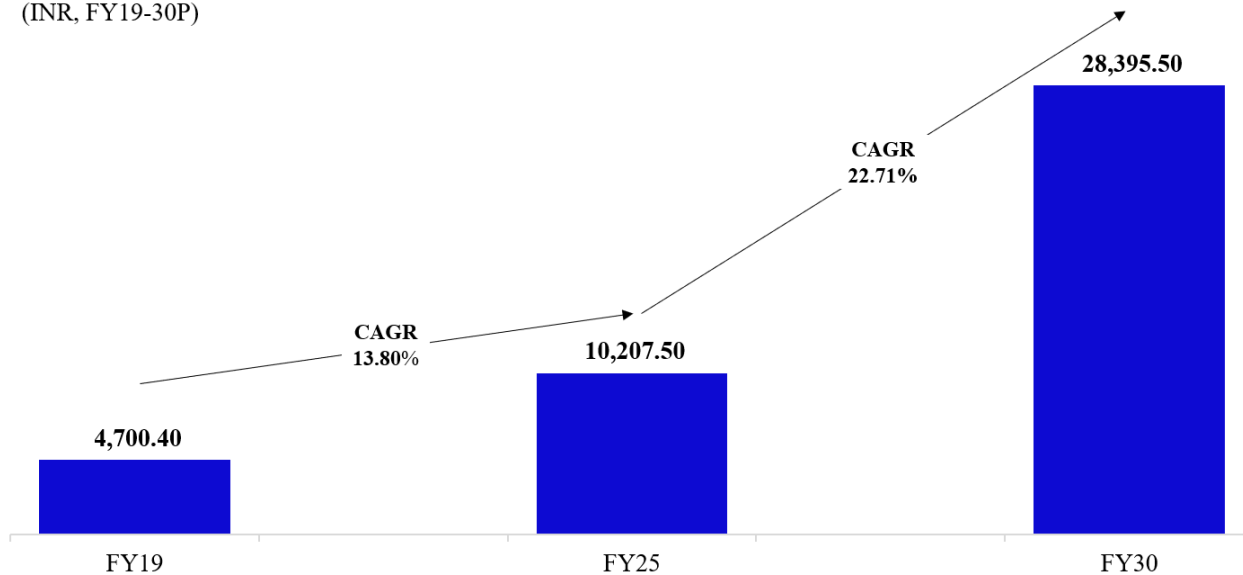
**Per capita electronics consumption - Global**  
(US\$, CY18-29P)



Source(s): 1Lattice analysis

The global per capita electronics consumption is expected to grow at a CAGR of 4.18% and reach US\$ 420.10 by CY29. This growth is primarily driven by a rise in per capita consumption of electronics, especially in fast-growing developing economies, premiumization, and the emergence of new product categories.

**Per capita electronics consumption - India**  
(INR, FY19-30P)



Source(s): ILattice analysis

India's per capita electronics consumption stood at INR 4,700.40 in FY19 and has grown to INR 10,207.50 in FY25. Despite this growth, it remains significantly lower than the global average of ~US\$ 342 (INR 28,615), as well as economies like Europe at ~US\$ 520 (INR 43,508) and the Middle East at ~US\$ 290 (INR 24,265).

With a projected CAGR of 22.71%, India's per capita electronics consumption is expected to reach ~INR 28,395.50 by FY30, driven by factors such as rising affluence, increasing household penetration, premiumization, and shorter replacement cycles. Furthermore, advancements in technology, particularly in smart and energy-efficient devices, are poised to accelerate this growth trajectory.

**Government initiatives:**

- ONDC:** The ONDC initiative boosts India's electronics market by expanding access for smaller manufacturers and retailers, increasing product visibility, and reducing costs. It enhances affordability and e-commerce adoption, aiming to raise online retail's share from ~8% in FY23 to ~25% by FY25 in the total retail market. By driving innovation and reaching underserved areas, ONDC strengthens India's position in the global consumer electronics market and supports the expected ~US\$ 300B e-commerce growth by CY30.
- PLI scheme:** The Production Linked Incentive scheme for FMEG is a financial incentive program to boost domestic manufacturing and investments in the electronics value chain. In FY21, the government announced PLI for white goods with a total outlay of ~INR 62B. The PLI scheme for white goods is set to bring in investment of INR 104.8B in FY25 in the component manufacturing of ACs and LED Lights. The focus of PLI was to incentivize component manufacturing and local value addition (from ~25% to ~75%). These efforts promote domestic manufacturing, reducing imports and boosting India's global competitiveness.
- Make in India and Digital India:** India's 'Digital India' and 'Make in India' initiatives streamline the setup process for manufacturing units, reflecting the nation's status as the second-fastest digitizing economy globally. The government is committed to elevating electronics goods among India's top exports by CY26, as evidenced by the substantial growth in exports of electronic goods in FY23, reaching ~US\$ 25.0B.
- Viksit Bharat:** Viksit Bharat aims to transform India into a developed country focusing on economic, social, environmental and governance advancements. The initiative aims to establish a semiconductor industry in India, crucial for India's technological advancements and economic growth. Increasing investments in chip design and

manufacturing, establishing semiconductor fabrication plants, and developing a semiconductor ecosystem in India will be a major step towards achieving technological self-sufficiency.

- **Rural electrification scheme:** The rural electrification initiatives, such as DDUGJY and the Saubhagya Scheme, are pivotal for the growth of the consumer electronics sector. These schemes have led to the electrification of 28.6M of rural households across India as of FY22, as the scheme ended in FY22. With electricity now reaching remote areas, there is a growing demand for consumer electronics such as LED lights, mobile phones, and white goods. By ensuring that rural India is connected to the power grid, these programs have created new opportunities for consumer electronics companies to expand their market base and improve affordability and accessibility for consumers in these areas.

### 2.2.6.2 Characteristics of FMEG sector

The FMEG sector is characterized by rapid innovation, high competition, and a diverse range of sales and marketing strategies designed to reach consumers effectively. As the sector continues to evolve, companies in the FMEG space adopt various approaches in areas like sales activation, marketing, and operational decisions to stay competitive and build strong consumer relationships.

#### Sales activation strategies

- **Distribution-led strategies:** The FMEG sector traditionally relies on a distribution-led strategy, where products are sold through a network of distributors and retailers, allowing companies to reach a wider consumer base. This model ensures that electronic products and components are available in various locations, maximizing sales potential.
- **Direct company-led strategies:** This approach focuses on engaging electricians and influencers to drive sales, reduce dependency on retailers, and enhance brand image through direct customer interaction

#### Marketing approaches






- **Above-the-Line marketing:** This is commonly used in the FMEG sector to build brand awareness on a national level. This includes high-profile marketing tactics like celebrity endorsements and sponsorships of large-scale events such as IPL matches. These strategies help elevate the brand's visibility and position it as a trusted name among consumers.
- **Below-the-line marketing:** This marketing focuses on more direct, targeted strategies like sales promotions, direct marketing, and cultivating a network of influencers (e.g., electricians). These strategies allow FMEG brands to connect with consumers on a more localized level, enhancing brand visibility and awareness in highly competitive electronics markets.

#### In-house vs. outsourcing decisions



- **In-house decisions:** In the FMEG sector, some companies choose to keep key functions **in-house** to maintain control over product quality, reduce reliance on external partners, and ensure operational consistency. This approach is commonly applied in areas like manufacturing and logistics, where upholding high standards is critical. However, this strategy can become a bottleneck when frequent technological advancements and product innovations are needed to keep pace with market dynamics and competition.
- **Outsourcing decisions:** Some companies choose to outsource key functions in the value chain, such as manufacturing, distribution, or customer service, to specialized third-party vendors. This approach allows them to tap into external expertise, lower costs, and enhance operational efficiency. Additionally, partnering with ODMs enables companies to offer differentiated products while focusing on core business areas like product innovation and market expansion, all while maintaining flexibility and cost-effectiveness in the supply chain.

### 2.2.6.3 Market drivers and restraints

India's FMEG sector is evolving rapidly with key trends shaping its growth. Technological advancements like IoT-enabled and energy-efficient appliances are driving demand, while urban consumers are increasingly opting for premium products. E-commerce platforms are expanding access, especially in smaller cities, and sustainability-focused products are gaining traction. Additionally, the rise in FMEG financing is making premium products more affordable, fuelling market growth.

| Technological advancements   | Premiumisation   | Online channel availability   | Growing need for sustainable devices   | Growing FMEG finance  |
|--|--|---|--|---|
|  <ul style="list-style-type: none"> <li>Rapid innovation in energy-efficient technologies and smart devices shortens product replacement cycles               <ul style="list-style-type: none"> <li>For e.g.; replacement cycle for TVs decreased to ~6-8 years by CY23 from ~9-10 in CY14</li> </ul> </li> <li>IoT-enabled appliances like ACs, fans, and smart TVs with voice control and automated adjustments drive demand for connected living solutions</li> </ul> |  <ul style="list-style-type: none"> <li>Urban household consumption has doubled in the past decade, with urban MCPE increasing from ~INR 2.6K in FY12 to ~INR 6.5K in FY23</li> <li>Consumers are increasingly investing in premium and value-added products               <ul style="list-style-type: none"> <li>For e.g.: household TV penetration has increased from ~50% in CY18 to ~60% in CY23</li> </ul> </li> </ul> |  <ul style="list-style-type: none"> <li>E-commerce platforms offer easy access to a wide range of products, particularly in tier-2 and tier-3 markets</li> <li>Initiatives like ONDC aim to increase share of e-commerce in retail from ~8.0% in FY23 to ~25.0% by FY25</li> </ul> |  <ul style="list-style-type: none"> <li>There is a rising demand for energy-efficient and eco-friendly appliances, such as LED lighting, energy-star-rated refrigerators, and solar-powered devices</li> <li>ICAP and EPR policies help consumers identify and choose energy-efficient appliances and reduce cooling demand by 20-25% by FY38, aligning with global climate targets</li> </ul> |  <ul style="list-style-type: none"> <li>Online platforms are forging partnerships with financial entities to provide no/low-cost EMIs, discounts, and cashback, enabling consumers to upgrade to premium products</li> <li>Loans for consumer durables grew from ~INR 740.0B in FY20 to ~INR 1,165.0B in FY23. This segment contributed ~45.0% of industry sales in CY23, from 15.0-20.0% in CY19</li> </ul> |

India's FMEG industry faces challenges across multiple dimensions, affecting its growth and competitiveness. High manufacturing costs, driven by reliance on imports for critical components and high-interest rates, increase the financial burden on the sector. An underdeveloped vendor ecosystem exacerbates the problem, as fragmented supply chains and limited local operations prevent economies of scale. Additionally, evolving compliance requirements, such as BIS certifications and GST complexities, add to operational overheads. Lastly, dependence on advanced foreign technologies further restricts the sector's capacity for innovation and scalability, highlighting the need for strategic interventions to strengthen domestic capabilities.

| High manufacturing cost   | Under-developed vendor ecosystem   | Compliance costs  | Technology dependence   |
|---|--|---|---|
|  <ul style="list-style-type: none"> <li>India's FMEG industry faces high manufacturing costs. As a result, the sector relies heavily on imports for critical raw materials and components, with consumer durable imports surpassing ~INR 188.0B in FY24</li> <li>Interest rates in India range from ~10-14%, significantly higher than ~5-6% in countries like China, Vietnam, Japan, and South Korea. This disparity further increases comparative manufacturing costs in India.</li> </ul> |  <ul style="list-style-type: none"> <li>Many manufacturers operate on a smaller scale due to <b>limited local operations</b> across the value chain of products. This leads to <b>higher per-unit costs</b> and less efficiency, preventing them from achieving economies of scale</li> <li>The <b>lack of integration between the MSME/start-up ecosystem</b> and large-scale manufacturers, driven by <b>capacity constraints</b>, fragmented supply chain and technology gaps, results in a reliance on global suppliers to drive technological trends.</li> </ul> |  <ul style="list-style-type: none"> <li>The FMEG industry has witnessed an <b>increased cost burden</b> due to the evolving nature of compliances prescribed by the government such as:               <ul style="list-style-type: none"> <li>BIS testing and certification</li> <li>EPR policy, etc.</li> </ul> </li> <li>Under GST, varying tax rates increase compliance costs in the FMEG sector. Goods like ACs, refrigerators, and TVs (&gt;32 inches) are taxed at ~28%, while most others fall under 18%, adding complexity to tax management and reporting.</li> </ul> |  <ul style="list-style-type: none"> <li><b>Limited local availability</b> of advanced technologies, such as highly efficient compressors and the latest insulation materials, impacts cost of production and makes manufacturers dependent on imports from other countries.</li> <li>This <b>dependency on foreign suppliers</b> limits India's ability to scale production, reduce costs, and innovate in key components, <b>hindering the growth</b> of its domestic FMEG industry.</li> </ul> |

#### 2.2.6.4 Indian manufacturing ecosystem

The FMEG industry in India is undergoing a significant transformation, driven by the push towards localization. Localization refers to the increased use of domestically sourced raw materials, components, and manufacturing processes. This shift is critical for the industry, as it addresses cost efficiency, supply chain resilience, and competitiveness. The push for localization has been further accelerated by government initiatives such as "Make in India" and the PLI scheme, which aim to reduce import dependency and promote domestic manufacturing.

The value of India's electronics production stands impressively at ~US\$ 115B as of FY24. In FY25, electronics goods exports totalled ~US\$ 38.58B, reflecting India's increasing role in the global electronics market.

Items like air conditioners and washing machines currently rely heavily on imports for critical components such as compressors, printed circuit boards, and. On average, multi-category FMEG companies with portfolios spanning washing machines, refrigerators, air conditioners, and ovens saw imports accounting for ~41% of the cost of goods in FY23. However, with the increasing focus on local sourcing, these levels are expected to drop significantly. This trend is supported by growing investments in local component manufacturing, the establishment of research and development hubs, and strategic partnerships between domestic players and global firms.

China dominates the global electronics manufacturing services (EMS) market with ~47% share as of FY23. However, post-COVID-19, many global electronic manufacturers are contemplating on a China + 1 strategy, thereby looking for alternative manufacturing locations for exports. With the electronics sector being recognized as one of the key growth drivers for the Indian economy, the government has been proactively building a base for electronics manufacturing in India and has launched numerous incentive schemes (National Policy on Electronics, Phased Manufacturing Program, Electronics Manufacturing Clusters, PLI, etc.) which have allowed manufacturing growth, reduced dependence on imports, and promoted exports. India's share in the global EMS market is expected to rise to ~7% by CY26





Pioneering companies like Silver consumer have embraced localization early on have a clear strategic edge over their peers, such as:

- **Cost advantages:** Companies achieve significant cost advantages by reducing their dependency on imports, leading to lower tariffs, reduced freight costs, and economies of scale in domestic manufacturing. In contrast, companies reliant on imported raw materials face challenges such as price volatility, long lead times, and supply chain disruptions.
- **Reliance on global uncertainties:** Pioneers in localization are better positioned to withstand global uncertainties. During the pandemic, companies with localized supply chains were able to maintain production and meet demand, while competitors relying on imports struggled with delays and shortages.
- **Operational agility:** Localization fosters agility by allowing companies to respond quickly to market needs, innovate faster, and build stronger relationships with domestic suppliers.
- **Enhanced quality control:** Localization allows companies to maintain stricter quality control by overseeing production closely, ensuring compliance with domestic standards, and reducing the risks associated with variable quality in imported goods. This leads to superior and more reliable products for consumers.
- **Economic and sustainability contributions:** By sourcing and manufacturing locally, companies contribute to job creation, skill development, and economic growth. Localization also helps in aligning with global sustainability goals by reducing the environmental impact of long-distance shipping.
- **Consumer benefits:** For consumers, the cost savings from localization translate into more affordable and accessible products, making localized companies more competitive in price-sensitive markets like India.

#### 2.2.6.5 Risk and challenges along with potential mitigants

The FMEG industry faces several challenges, including economic slowdowns, frequent innovations leading to shorter product life cycles, supply chain inefficiencies, and volatile input costs driven by global demand and geopolitical factors. To address these issues, companies can leverage government incentives to boost domestic production, partnering with ODM manufacturers with fungible production lines optimizing supply chains with advanced logistics

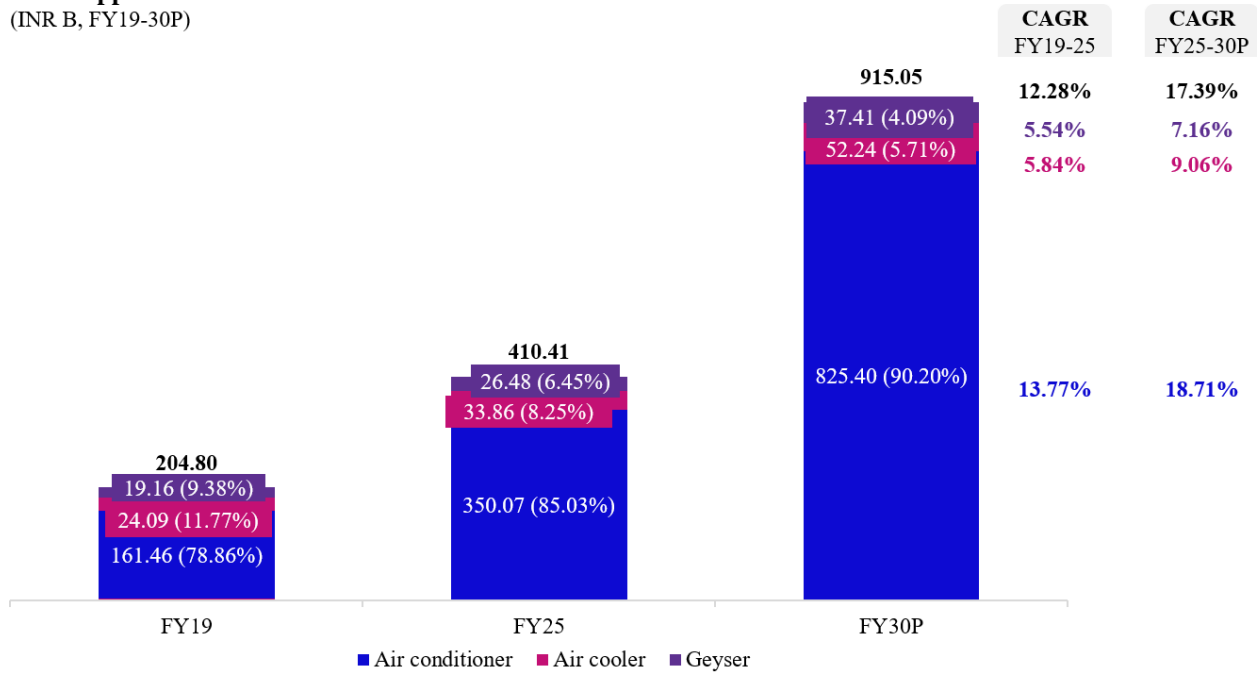
solutions, and adopting Industry 4.0 technologies to enhance efficiency and reduce costs. These measures aim to build resilience, meet evolving consumer demands, and maintain competitiveness in a dynamic market.

|  | Risks and challenges   | Mitigants   |
|--|--|---|
|  <p><b>Economic slowdowns and disruptions</b></p>                       | <ul style="list-style-type: none"> <li>India's economic slowdown, with GDP growth expected to drop from <b>~8.2% in FY24 to ~6.4% in FY25</b>, coupled with high inflation, weak investments, and reduced exports, challenges the FMEG sector with lower sales and tighter margins.</li> </ul>   | <ul style="list-style-type: none"> <li>Tap into <b>rural and semi-urban</b> markets where rising incomes and better infrastructure drive demand, with <b>~31%</b> of the population being middle-class in FY23</li> <li>Enhance efficiency through <b>automation and Industry 4.0</b> practices to counter rising input costs and boost productivity</li> <li>Invest in R&amp;D for energy-efficient, <b>eco-friendly products</b> to meet sustainability trends and <b>reduce raw material cost risks</b></li> </ul>   |
|  <p><b>Shorter product life cycle due to continuous innovations</b></p> | <ul style="list-style-type: none"> <li>Companies face <b>pressure to invest in R&amp;D</b> and frequently refresh product lines to meet evolving consumer expectations, <b>straining resources</b> and complicating inventory management</li> <li>Need for frequent product releases drives changes in the <b>manufacturing setup</b> and requires <b>additional workforce</b>, resulting in higher operational and labor expenses</li> </ul>  | <ul style="list-style-type: none"> <li>Establish <b>dedicated innovation hubs</b> to stay ahead of trends in connected devices, IoT, and artificial intelligence</li> <li>Partnering with <b>ODM manufacturers</b> with <b>fungible production lines</b> reduces need for in-house setup changes, <b>minimizes labor costs</b>, and ensures <b>faster production</b> cycles, allowing companies to focus on innovation while controlling operational expenses</li> <li>Introduce programs for <b>recycling and trade-ins</b> for older products to reduce waste and engage customers in a circular economy</li> </ul> |
|  <p><b>Supply chain disruptions</b></p>                               | <ul style="list-style-type: none"> <li>India's logistics sector faces significant challenges, including <b>fragmented networks</b>, reliance on small fleet operators, and <b>limited availability</b> of high-capacity vehicles, leading to inefficiencies.</li> <li>These issues, compounded by rising fuel costs, contribute to logistics expenses accounting for <b>~14% of GDP</b>, far exceeding the global benchmark of <b>~8%</b></li> </ul>   | <ul style="list-style-type: none"> <li>Partner with <b>asset-heavy logistics firms</b> to cut peak season costs and streamline last-mile delivery</li> <li>Leverage government initiatives like <b>DFC, Sagarmala, and Bharatmala</b> projects to improve transportation speed and reduce costs</li> <li>Streamline operations by <b>reducing number of warehouses</b>, lowering logistics costs and enhancing delivery speed</li> </ul>  |
|  <p><b>Volatile input costs</b></p>                                   | <ul style="list-style-type: none"> <li><b>Price volatility</b> due to fluctuating global demand, <b>geopolitical tensions</b>, or changes in <b>foreign exchange rates</b> are disrupting <b>cost structures</b> of raw materials <ul style="list-style-type: none"> <li>For e.g., dollar-to-rupee exchange rate increased from <b>~INR 69.9</b> in FY19 to <b>~INR 83.4</b> in FY24, straining import-dependent industries</li> </ul> </li> <li>Electronics, as the <b>second-largest import material</b> after crude oil, faces acute pressure due to this dependency</li> </ul> | <ul style="list-style-type: none"> <li>Promote <b>domestic production</b> through government schemes like <b>M-SIPS</b> and <b>PLI</b>, reducing imports and building resilience to global price shocks</li> <li>Secure <b>long-term contracts</b> or use hedging to manage raw material price volatility</li> <li>Invest in recycling and sustainable materials to reduce dependence on <b>new raw materials</b></li> </ul>  |

### 2.3 Other appliances market growing from INR 410.10B to INR 915.05B between FY25 to FY30

India's other appliances market, comprising of air conditioners, air coolers and geysers, was valued at INR 204.80B in FY19, which increased to INR 410.41B in FY25. It is further expected to increase to INR 915.05B by FY30, growing at a CAGR of 17.39%. The air conditioner segment dominates the market with its contribution expected to rise from 85.03% in FY25 to 90.20% by FY30, growing at a CAGR of 18.71% during FY25-30. The air cooler and geyser markets are expected to grow at CAGRs of 9.06% and 7.16% respectively during FY25-30. The appliances market is expected to grow on the back of rising temperatures and increasing affordability of cooling & heating solutions.

**Other appliances\* market - India**  
(INR B, FY19-30P)

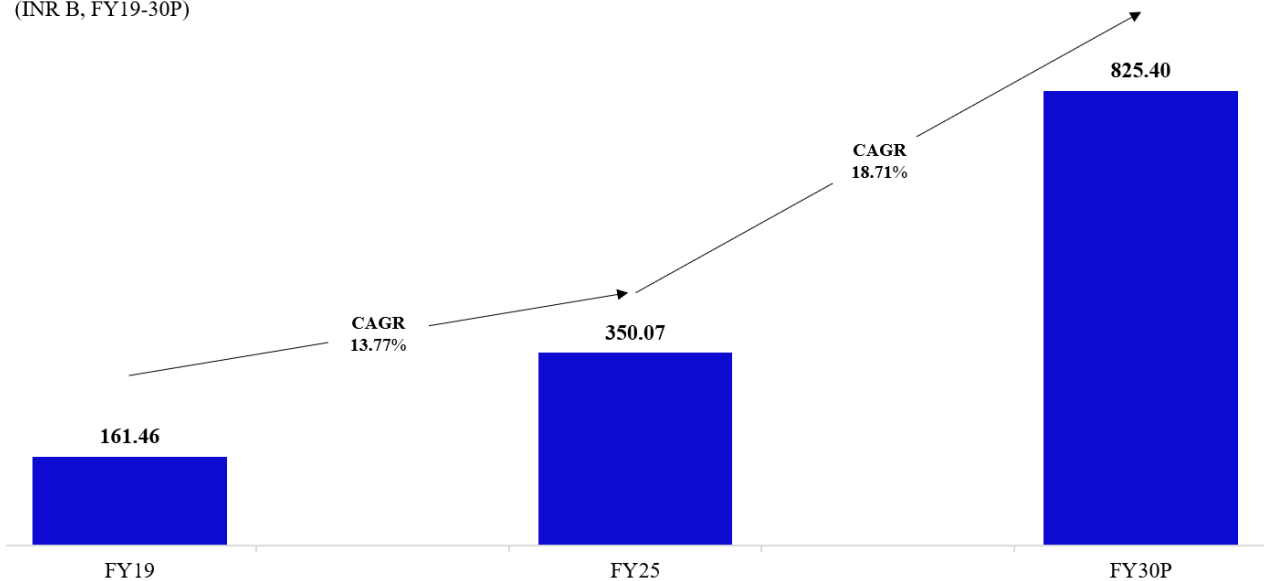


Note(s): \*Includes air conditioners, air coolers & geysers  
Source(s): ILattice analysis

**2.3.1 Indian air conditioner market was valued at INR 350.07B in FY25 and is projected to grow at a CAGR of 18.71% during FY25-30, rising temperatures and increasing disposable income are key growth drivers**

Indian air conditioner market, comprising both residential and commercial air conditioner systems was valued at INR 350.07B in FY25. The air conditioner market is further expected to grow at a CAGR of 18.71% during FY25-30, to reach INR 825.40B by FY30. The Indian air conditioner market is witnessing robust growth, driven by escalating temperatures, rising disposable incomes, urbanization, and favourable financing options. Market penetration, currently at ~12% (as of June 2024), is projected to exceed ~18% by FY30, supported by improved electricity infrastructure and the availability of affordable models.

**Air conditioner market size - India**  
(INR B, FY19-30P)



Source(s): ILattice analysis

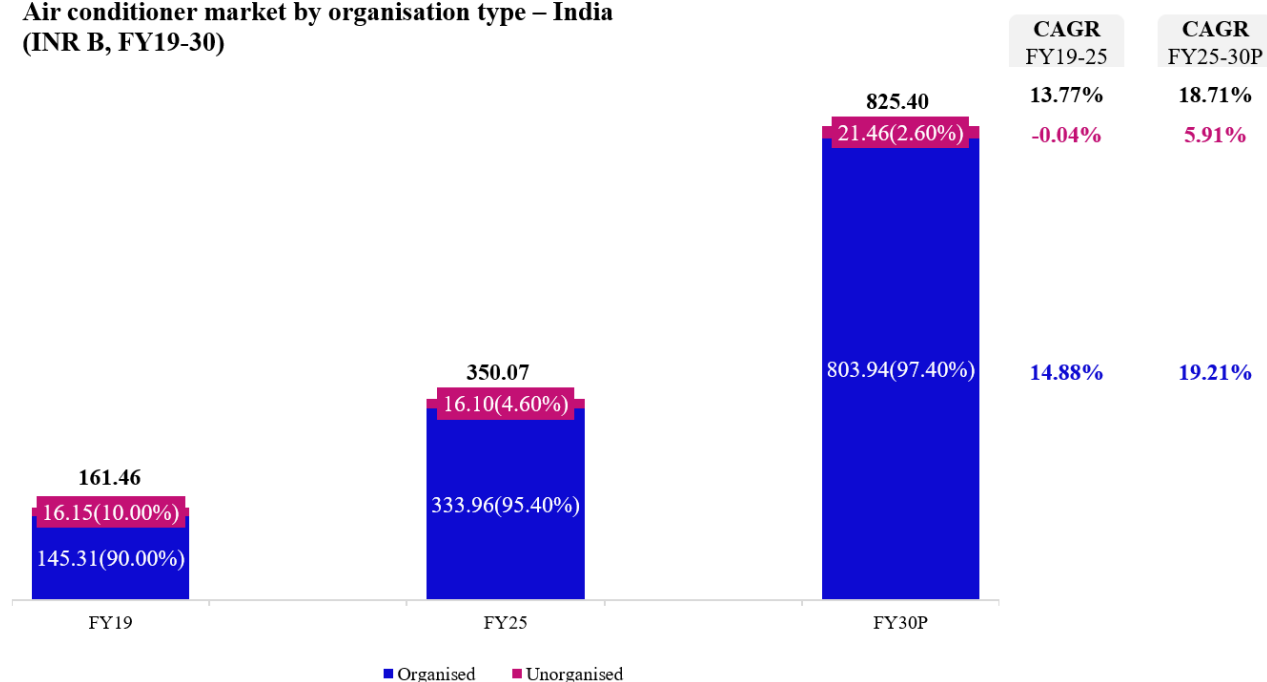
The market is shifting towards premium models with inverter air conditioners capturing ~75% of the market, owing to their energy efficiency, superior performance, and quieter operation. Energy-efficient models are further driven by

government incentives and regulations, addressing rising electricity costs and environmental concerns. Summer season demand spikes are gradually reducing as multifunctional ACs with year-round heating and cooling capabilities are gaining popularity across diverse climate zones. Supply-side expansions are also noteworthy, with domestic production capacity set to grow by over 40% in three years. This is driven by the PLI scheme and backward integration efforts, fostering localization and industry self-reliance.

**Indian air conditioner market is highly organised, with organised market making up 95.40% of air conditioner market in FY25**

Indian air conditioner market is highly organised, with organised market’s share rising from 90.00% in FY19 to 95.40% in FY25. Air conditioner production requires high levels of technical know-how along with large capital investments, these requirements along with rise of smart (IoT enabled) air conditioners have enabled organised players to capture a high market share. Alongside, reduction in price of air conditioners by branded players has led to increase in share of organised market. The organised market’s share is further expected to rise to 97.40% by FY30.

**Air conditioner market by organisation type – India (INR B, FY19-30)**

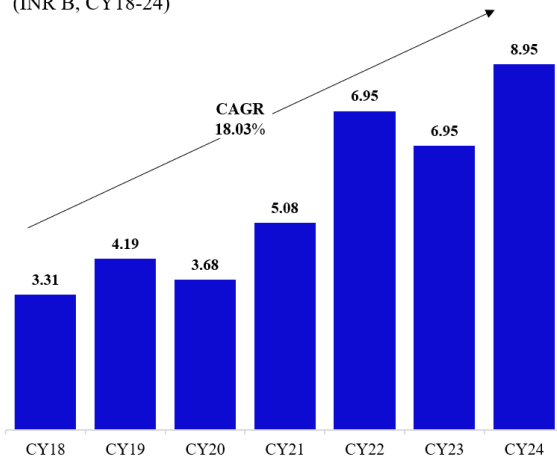


Source(s): IILattice analysis

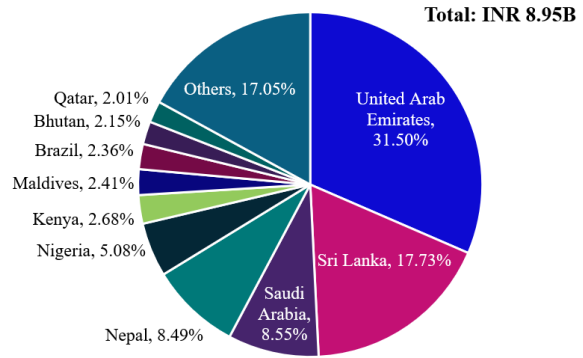
**Air conditioner exports from India stood at INR 8.95B in CY24, United Arab Emirates accounted for 31.50% of the exports**

The value of air conditioner exports from India stood at INR 8.95B in CY24, with air conditioner exports growing at a CAGR of 18.03% during CY18-24. In CY24, key countries India exported to include the United Arab Emirates, 31.05%, Sri Lanka, 17.73%, Saudi Arabia and Nepal having 8.55% & 8.49% share respectively.

**Air conditioner exports from India**  
(INR B, CY18-24)



**Key countries India exports to**  
(%, 'CY24)

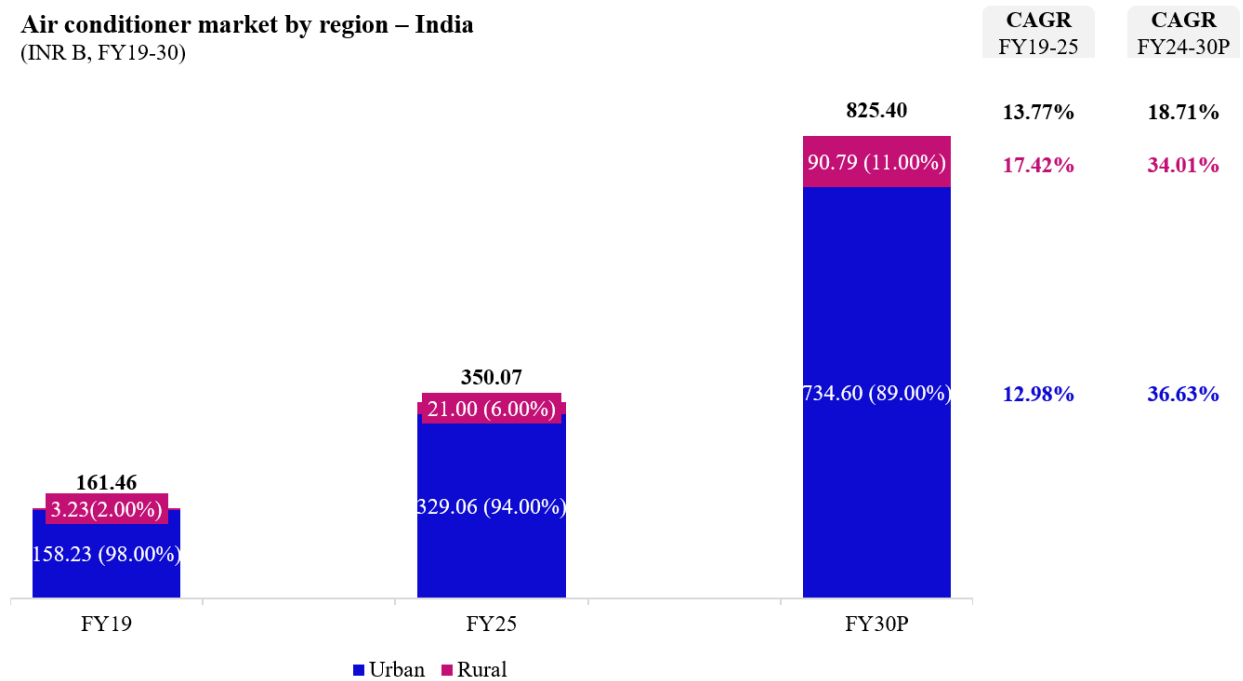


Note(s): HSN code 841510 (air conditioning machines that have a motor-driven fan and elements for changing the temperature and humidity)  
Source(s): ITC TradeMap, I Lattice analysis

**In the Indian air conditioner market, urban regions contributed 94.00% in FY25, share of rural regions expected to rise to 11.00% by FY30**

Indian air conditioner market is largely contributed for by urban regions, making up 94.00% in FY25. Rural regions still have erratic electricity supply (varying voltage), which together with high prices of air conditioners, limit demand. However, with rising income and improving electricity infrastructure, rural region's share in air conditioner market is expected to rise to 11.00% by FY30.

**Air conditioner market by region – India**  
(INR B, FY19-30)

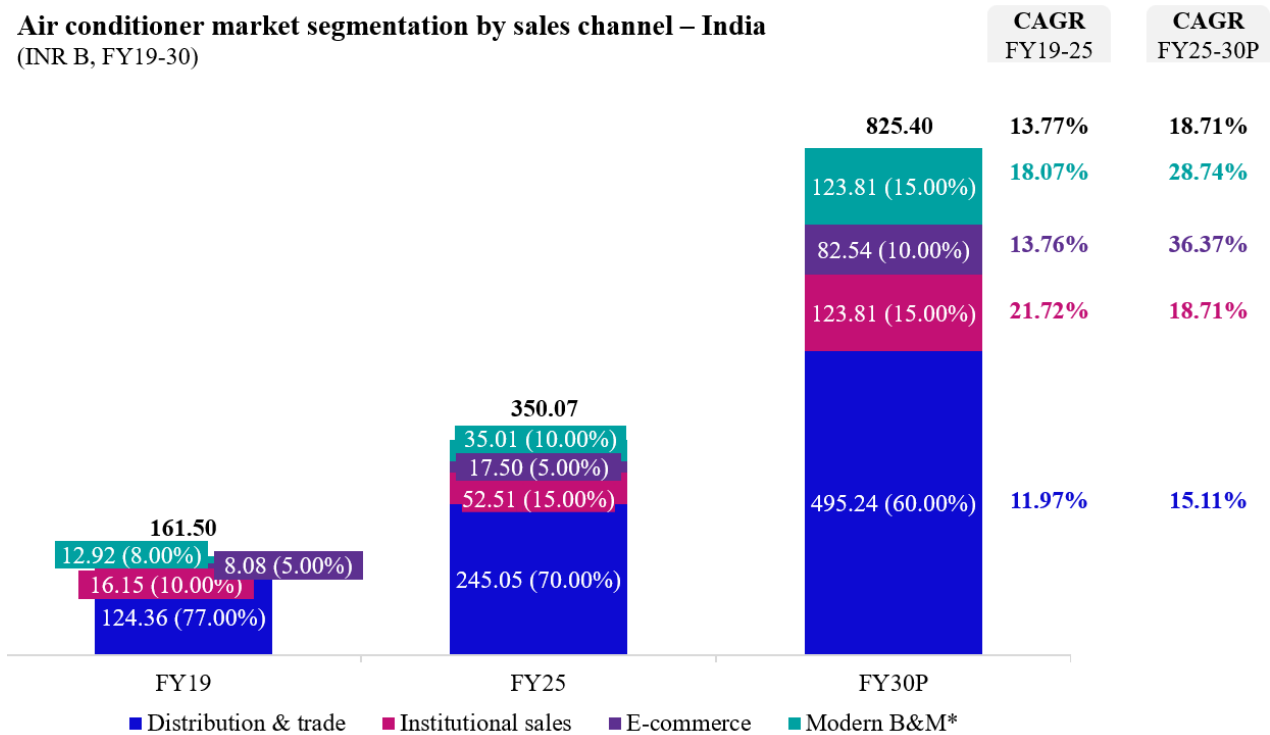


Source(s): I Lattice analysis

**Distribution and trade made up 70.00% of Indian air conditioner market in FY25, modern brick and mortar's share expected to rise to 15.00% by FY30**

Distribution and trade made up 70.00% of air conditioner sales in FY25, which is expected to reduce to 60.00% by FY30. This reduction in share of distribution and trade is accompanied by increase in share of e-commerce and modern brick and mortar, which are expected to rise from 5.00% and 10.00% in FY25, to 10.00% and 15.00% respectively by FY30. Institutional sales are expected to maintain a share of 15.00% during FY25 to FY30.

**Air conditioner market segmentation by sales channel – India**  
(INR B, FY19-30)

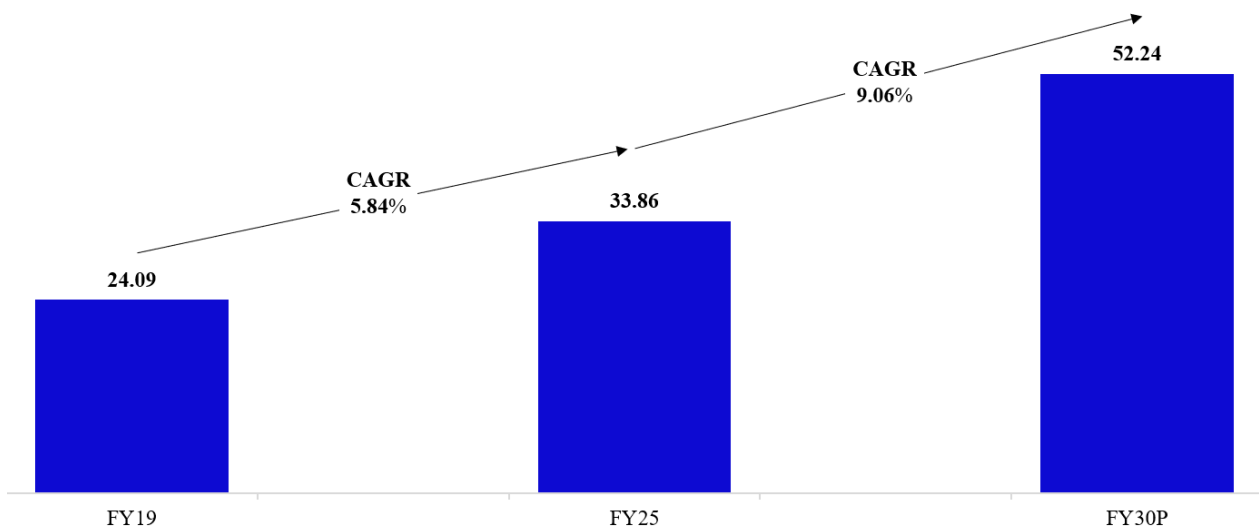


Note(s): \*Brick & mortar stores  
Source(s): I Lattice analysis

**2.3.2 Indian air cooler market was valued at INR 33.86B in FY25, expected to grow at CAGR of 9.06% during FY25-30 due to rising temperatures and rising disposable income**

Indian air cooler market, comprising both residential and industrial (tent) coolers was valued at INR 33.86B in FY25 and expected to INR 52.24B by FY30, registering a CAGR of 9.06%. The Indian air cooler market is witnessing steady growth on the back of rising temperatures, increasing electricity access, and affordability compared to other cooling options like air conditioners. Air cooler penetration, at present, remains low at ~15% of Indian households, indicating substantial room for market expansion. As consumer preferences evolve for branded products, there is a noticeable shift from unbranded to branded products, with organised manufacturers gaining market share.

**Air cooler market size - India**  
(INR B, FY19-30P)



Source(s): I Lattice analysis

Air coolers benefit from their eco-friendly nature, energy efficiency, and cost-effectiveness, making them an attractive alternative in dry climatic regions. Capable of reducing room temperatures by 13-15°C in low-humidity conditions, air coolers are particularly effective in combating heatwaves, which have increased significantly in recent years.

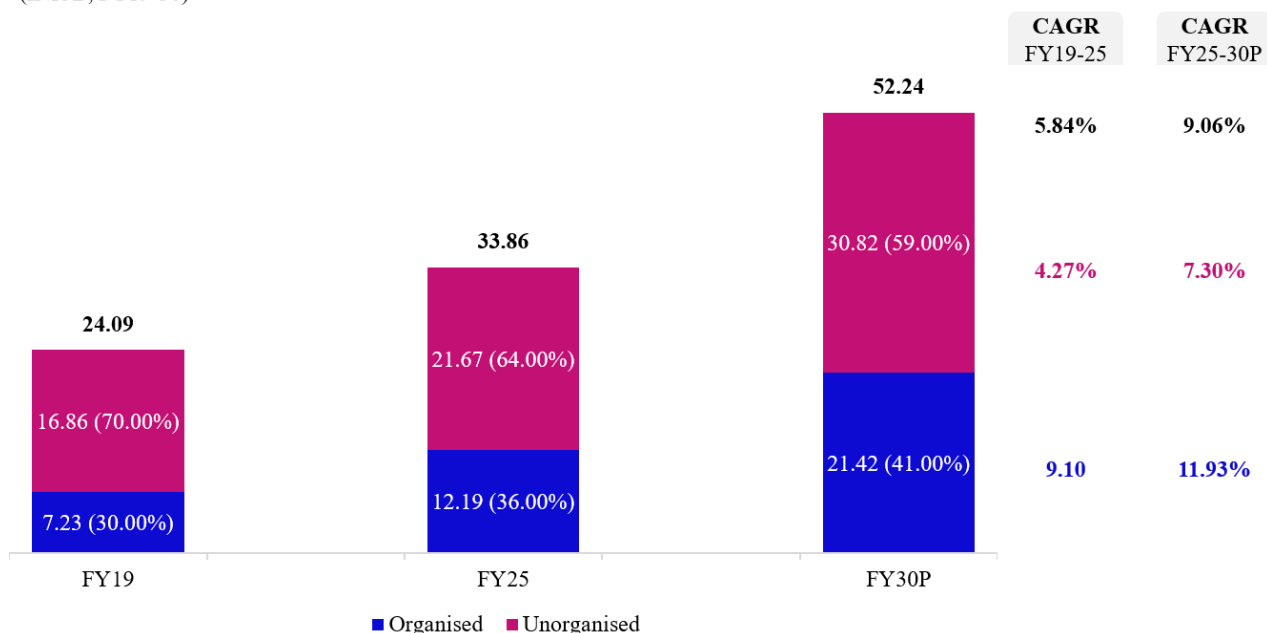
The market is also supported by improving distribution networks, rising income levels, and technological advancements that cater to evolving consumer needs. Tower and personal air coolers are emerging as preferred choices due to their compact designs and compatibility with modern lifestyles. With extended summer seasons and growing concerns around energy consumption, the demand for air coolers is expected to remain robust. Organised players are better positioned than unorganised players to capitalize on this trend due to the potential for product innovation and consumer preference for branded products.

**Indian air cooler market is moving towards organised players, organised market made 36.00% of air cooler market in FY25**

Indian air cooler market is dominated by unorganised players, with organised players having 36.00% market share as of FY25. However, organised players’ market share is expected to rise to 41.00% by FY30. The rise of air coolers with advanced features, along with the premiumisation trend is expected to contribute to the rise of the organised market’s share in the air cooler market.

**Air cooler market by organisation type – India**

(INR B, FY19-30)

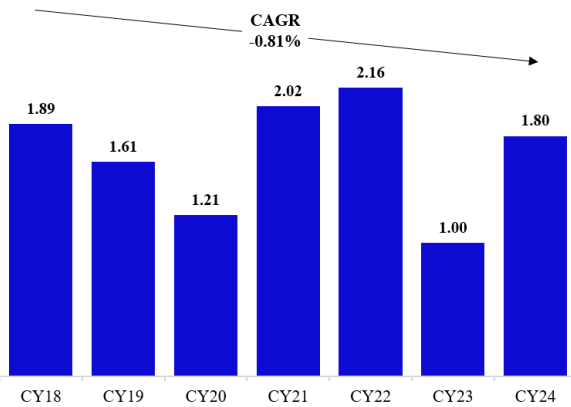


Source(s): ILattice analysis

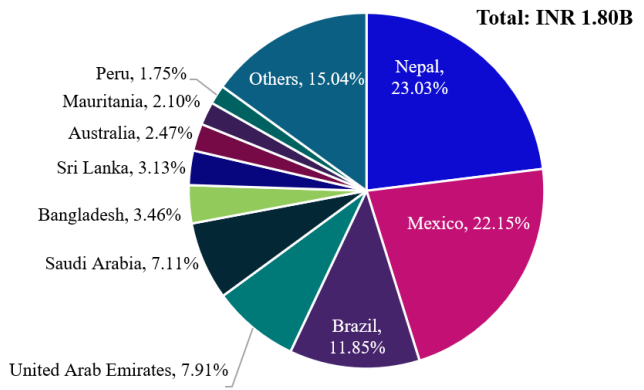
**Air cooler exports from India stood at INR 1.80B in CY24, Nepal accounted for 23.03% of the exports**

The air cooler exports from India were valued at INR 1.89B in CY18 and they declined at a CAGR of 0.81% during CY18-24, with the market being valued at INR 1.80B in CY24. Nepal was the biggest contributor (23.03%) to India’s air cooler exports in CY24 followed by Mexico (22.15%) and Brazil (11.85%).

**Air cooler exports from India**  
(INR B, CY18-24)



**Key countries India exports to**  
(%, CY24)

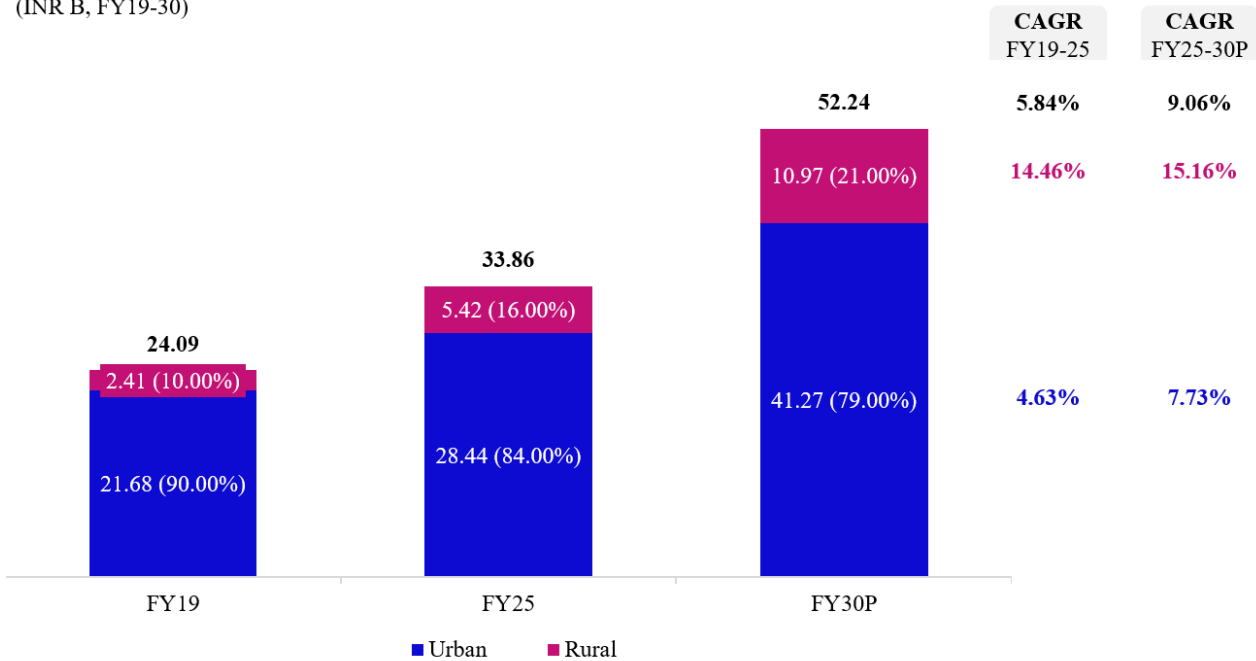


Note(s): HSN code 847960 (evaporative air coolers)  
Source(s): ITC TradeMap, I Lattice analysis

**In Indian air cooler market, urban regions accounted for 84.00% of market in FY25, share of rural regions is expected to increase to 21.00% by FY30**

Indian air cooler market is largely dominated by urban regions (84.00%), as air coolers are high ticket size items for rural areas, with prices exceeding INR 5K. However, rural regions, supported by rising disposable income, are showing faster growth compared to urban areas. Rural regions contribution in the air cooler market is expected to rise from 16.00% in FY25 to 21.00% by FY30.

**Air cooler market by region – India**  
(INR B, FY19-30)

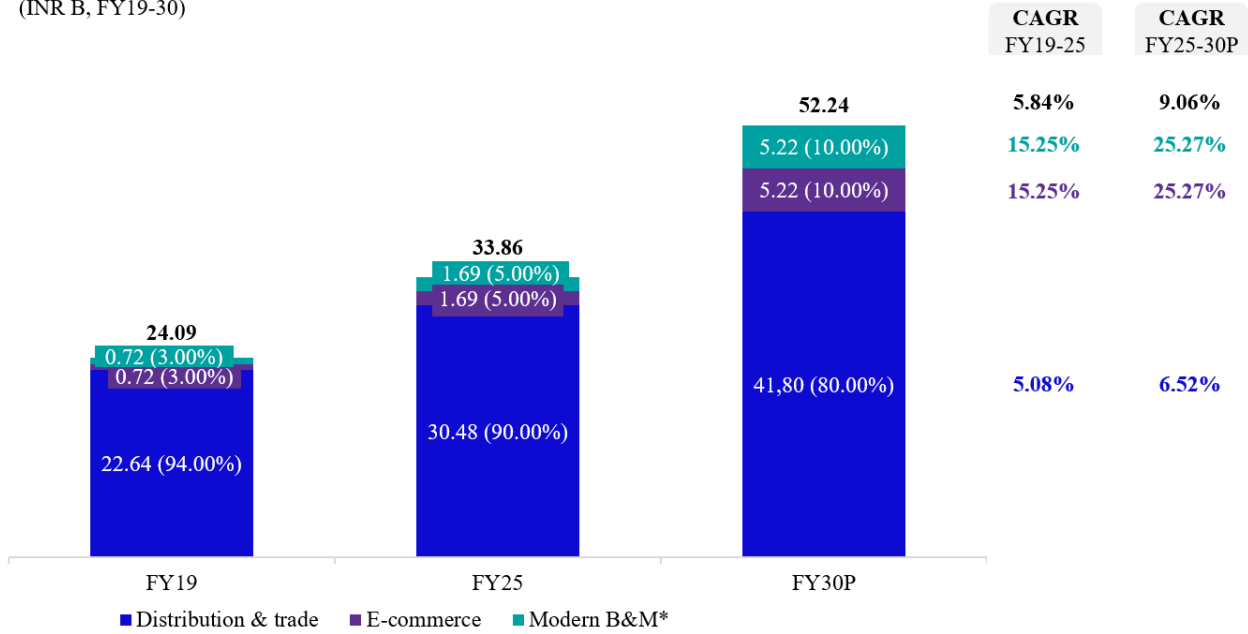


Source(s): I Lattice analysis

**Distribution and trade make up 90.00% of Indian air cooler market, e-commerce and modern brick and mortar expected to contribute 10.00% each by FY30**

Distribution and trade made up 90.00% of air cooler sales in FY25, which is expected to reduce to 80.00% by FY30. This reduction in share of distribution and trade is accompanied by increase in share of e-commerce and modern brick and mortar, which are expected to rise from 5.00% each in FY25, to 10.00% each by FY30.

**Air cooler market segmentation by sales channel – India**  
(INR B, FY19-30)

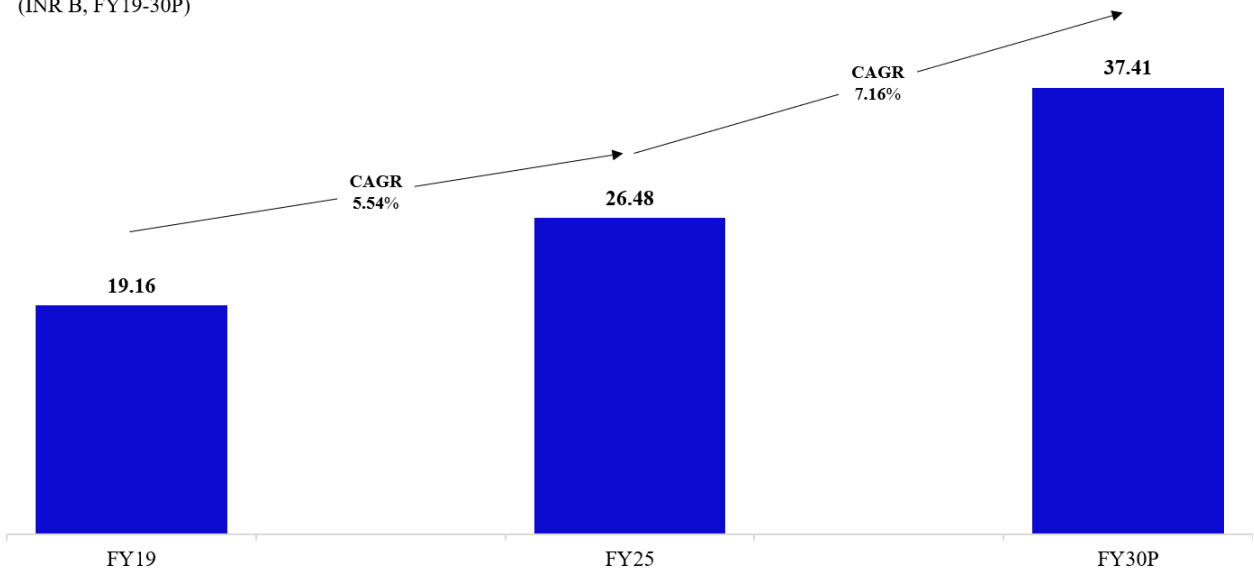


Note(s): \*Brick & mortar stores  
Source(s): I Lattice analysis

**2.3.3 Indian geyser market was valued at INR 26.48B in FY25, expected to grow at a CAGR of 7.16% during FY25-30 to reach INR 37.41B by FY30, growth supported by rising disposable income and rising urbanisation**

Indian geyser market was valued at INR 26.48B in FY25 and is expected to grow to INR 37.41B by FY30 at a CAGR of 7.16% during FY25-30. The Indian water heater market is poised for steady growth, driven by increasing disposable incomes, real estate expansion, and the demand for energy-efficient solutions. Market penetration is expected to rise, supported by urbanization and growing awareness of energy-efficient products.

**Geyser market size - India**  
(INR B, FY19-30P)



Source(s): I Lattice analysis

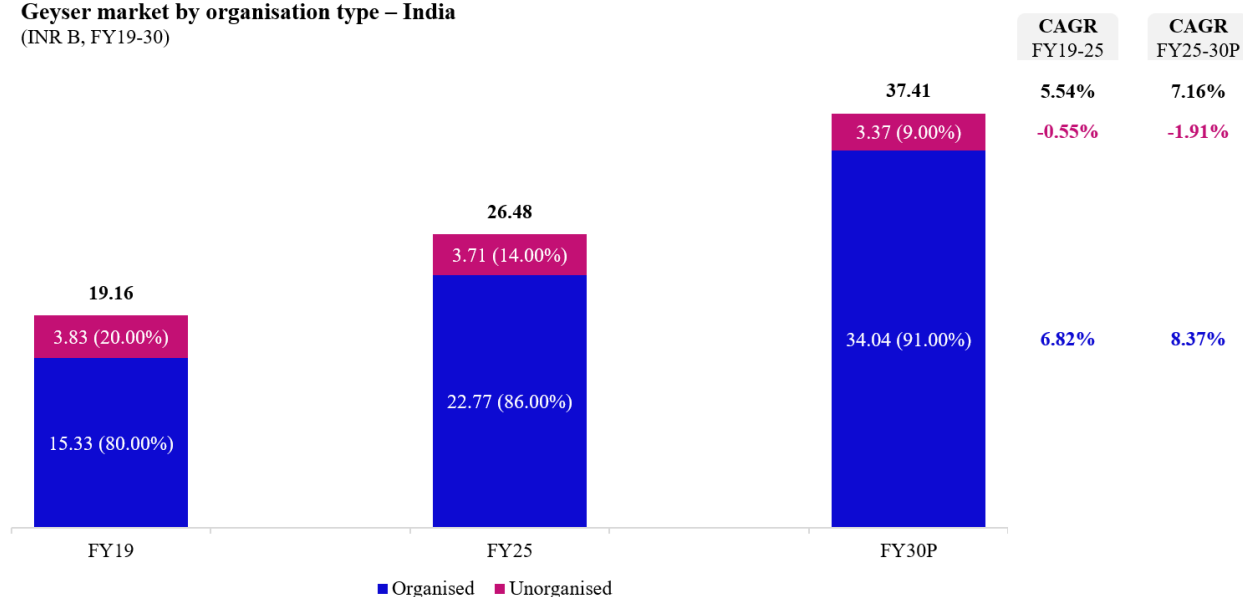
The shift toward smart heating solutions is becoming prominent, with products incorporating IoT features like app-based control. Advanced models are increasingly focused on sustainability, offering intelligent temperature control systems and features designed to minimize energy consumption. Demand from the residential sector remains strong, bolstered by the real estate boom. Additionally, commercial applications across industries such as hotels, hospitals, and educational institutions are driving growth, as these sectors adopt advanced water heating solutions.

The market is also witnessing technological innovations, including the rise of solar and electric geysers, which are gaining traction due to their eco-friendliness and long-term cost-effectiveness. As the market matures, increased production capacity, coupled with government incentives like Make in India, is expected to further fuel growth and drive industry self-reliance.

**Indian geyser market is highly organised, with organised market making up 86.00% of the geyser market in FY25**

Indian geyser market has a significant level of organisation, with 86.00% market being owed to organised players, in FY25. The market share of organised players is further expected to reach to 91.00% by FY30. A key contributing factor to the prevalence of the organised market is that geysers are largely a convenience-driven purchase, driven by customer preference for organised brands.

**Geyser market by organisation type – India**  
(INR B, FY19-30)

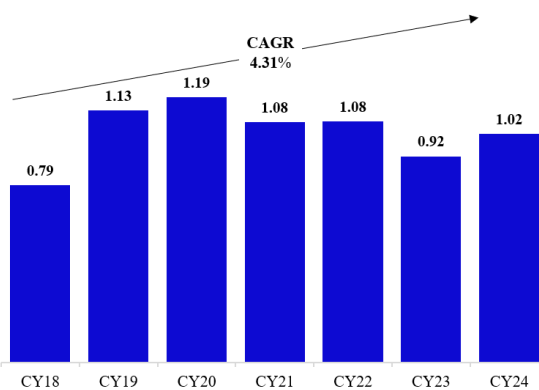


Source(s): IILattice analysis

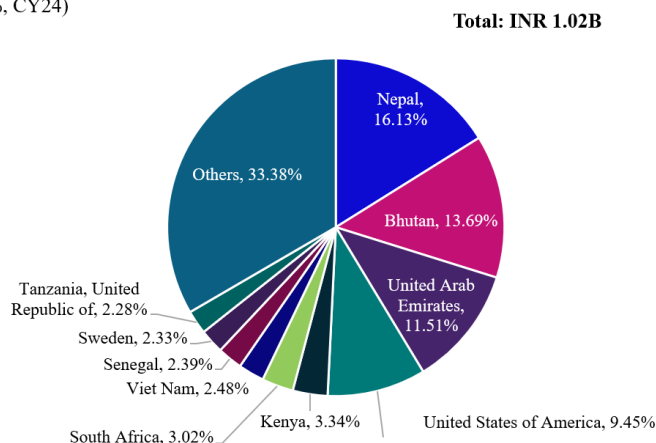
**Geyser exports from India stood at INR 1.02B in CY24, Nepal and Bhutan accounted for largest shares, 16.13% and 13.69% respectively**

The value of geyser exports from India stood at INR 1.02B in CY24, with exports at a CAGR of 4.31% during CY18-9.4524. Key countries India exported to in CY23 were Nepal (16.13%), Bhutan (13.69%), UAE and USA (11.51% & 9.45% respectively).

**Geyser exports from India**  
(INR B, CY18-24)



**Key countries India exports to**  
(%, CY24)



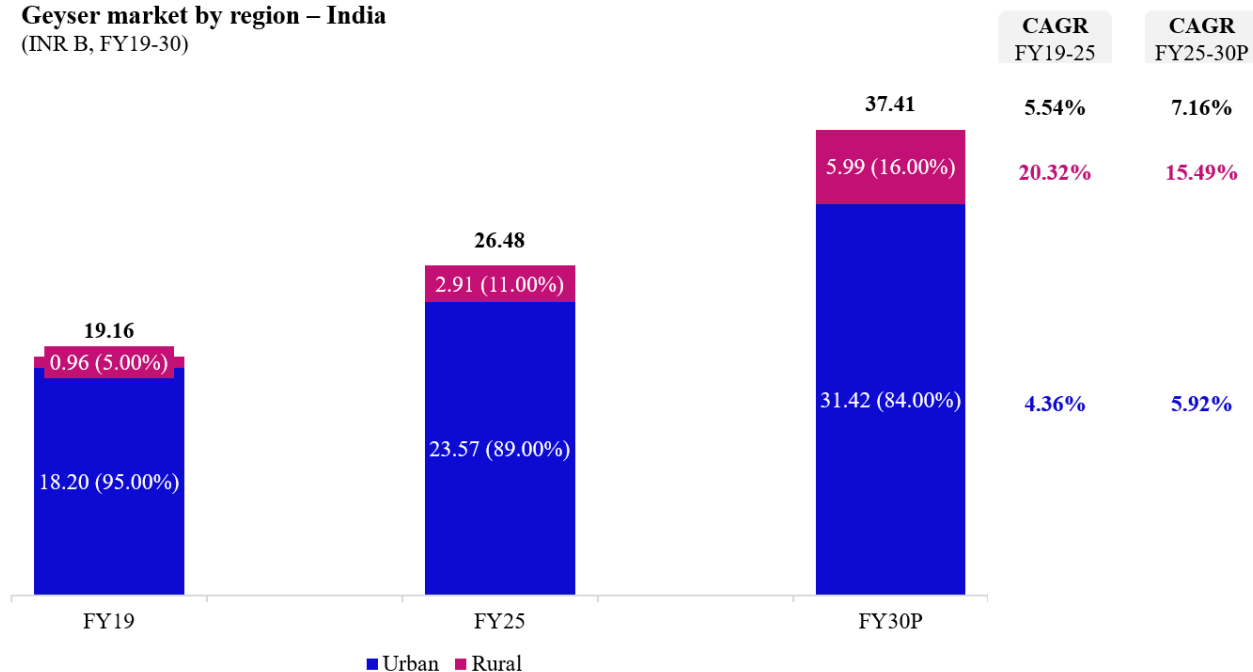
Note(s): HSN codes: 841911 (instantaneous gas water heaters, excluding boilers & central heating units), 841912 (Solar water heaters), 851610 (Electric instantaneous or storage water heaters and immersion heaters)

Source(s): ITC TradeMap, IILattice analysis

**In Indian geyser market, urban regions accounted for 89.00% share in FY25, share of rural regions is expected to increase to 16.00% by FY30**

Indian geyser market has a large contribution by urban regions accounting for 89.00% in FY25. For geysers, rural regions have low penetration as it is an expensive purchase for a rural setting, traditional alternatives like heating water over a stove, is still a popular alternative, however, rising disposable income in rural regions is expected to increase penetration of geysers in rural areas.

**Geyser market by region – India**  
(INR B, FY19-30)

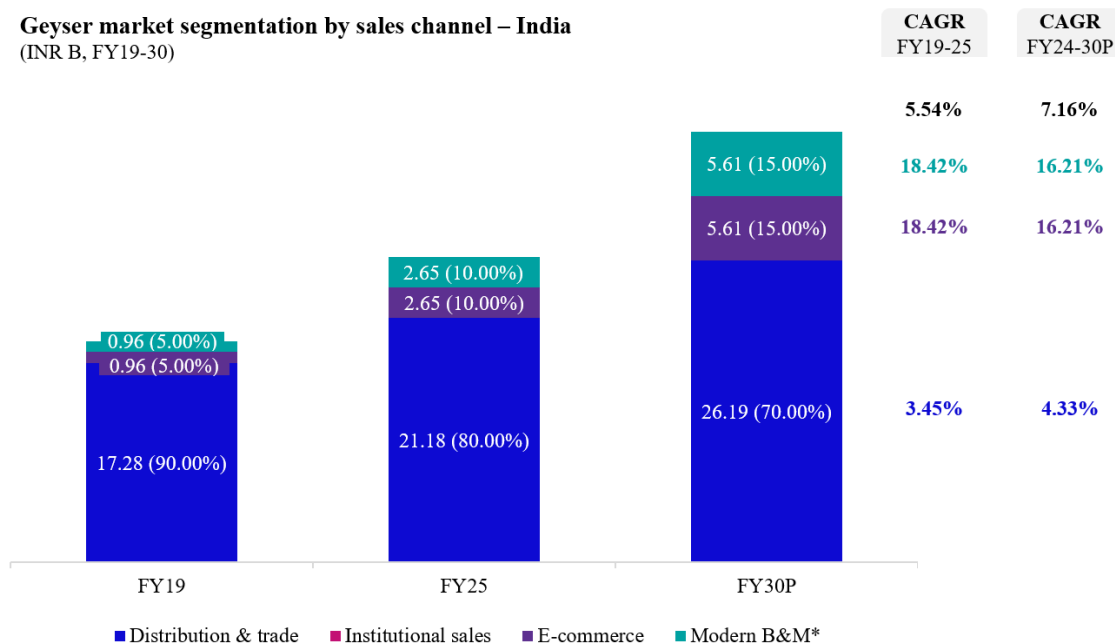


Source(s): I Lattice analysis

**Distribution and trade make up 80.00% of Indian geyser market, e-commerce and modern brick and mortar expected to contribute 15.00% each by FY30**

Distribution and trade made up 80.00% of geyser sales in FY25, which is expected to reduce to 70.00% by FY30. This reduction in share of distribution and trade is accompanied by increase in share of e-commerce and modern brick and mortar, which are expected to rise from 10.00% each in FY25, to 15.00% each by FY30.

**Geyser market segmentation by sales channel – India**  
(INR B, FY19-30)



Note(s): \*Brick & mortar stores

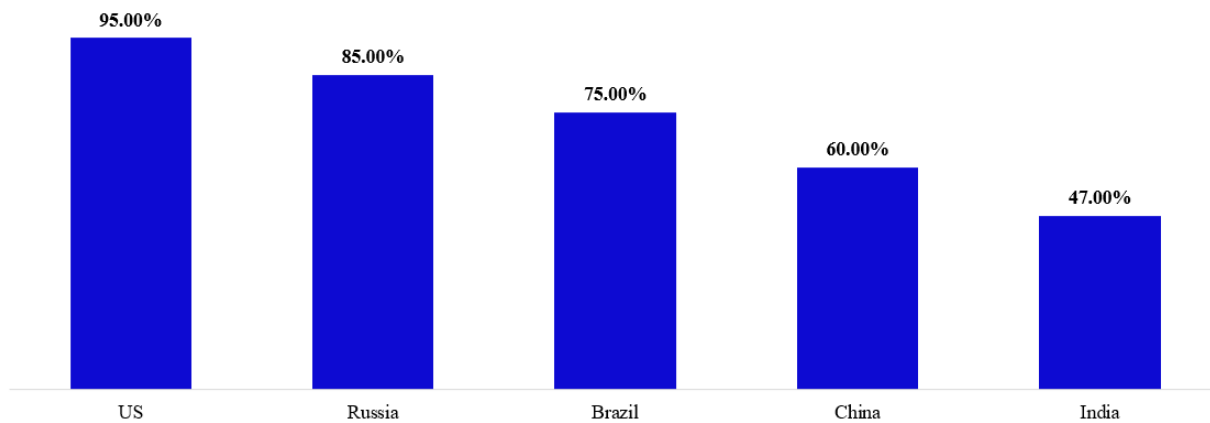
Source(s): I Lattice analysis

### 3. Overview of Agricultural Equipment in India

#### 3.1 Indian agricultural equipment market is expected to grow at a CAGR OF 10.76% during FY25-30 reaching a value of INR 1,743.25B in FY30

Farm mechanisation in India remains in its nascent stages, lagging both developed and many developing nations. While 47.00% of Indian agricultural operations are mechanised, this figure pales in comparison to 95.00% mechanization rate in the United States and 85.00% in Russia. It also significantly trails fellow developing countries like China (60.00%) and Brazil (75.00%). The farm mechanization levels across major cereals, pulses, oilseeds, millets, and cash crops for seedbed preparation are highly mechanized, exceeding ~70% for most crops. In contrast, harvesting and threshing remain the least mechanized operations, with mechanization levels below ~32% for major crops, excluding rice and wheat. Furthermore, the distribution of farm mechanization across India is highly uneven, with states like Uttar Pradesh, Haryana, and Punjab exhibiting relatively high levels, while northeastern states lag significantly.

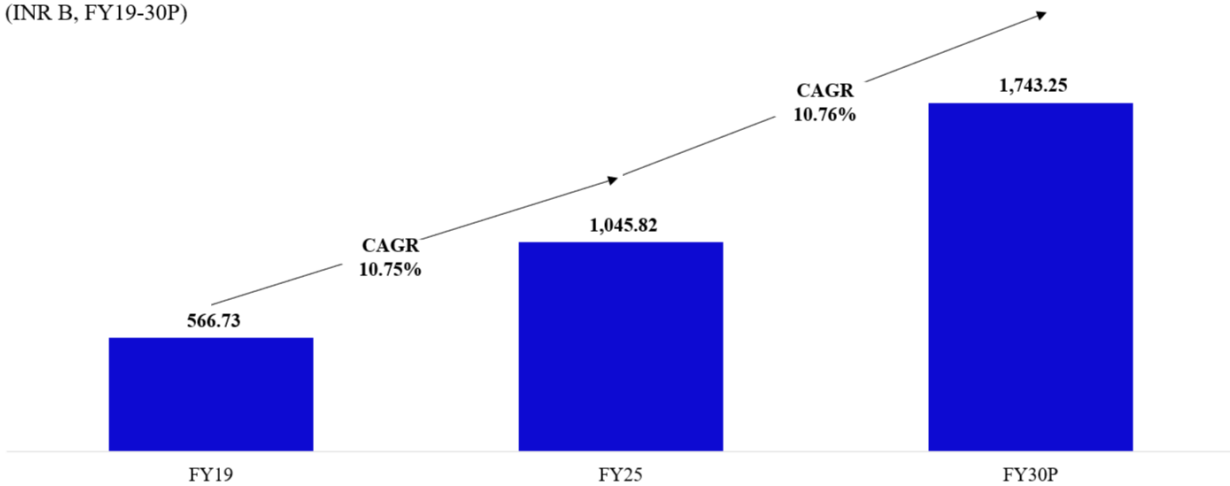
**Farm mechanisation across global economies**  
(%, CY23)



Source(s): ILattice analysis

Despite these challenges, the Indian agricultural equipment market is poised for robust growth over the decade. Driven by technological advancements, increasing agricultural mechanisation, and supportive government policies, the market has witnessed significant expansion. Valued at INR 566.73B in FY19, it grew at a CAGR of 10.75% to reach INR 1,045.82B by FY25, representing about ~4-5% of the total agricultural output. This relatively small market share underscores the nascent stage of farm mechanization in India. However, the market is expected to accelerate further, achieving a CAGR of 10.76% from FY25 to FY30, reaching INR 1,743.25B by FY30. This growth is primarily driven by the rising need for efficient farming solutions to address labour shortages, improve productivity, and optimize resource usage. Increasing awareness among farmers regarding the benefits of modern agricultural equipment, such as tractors, harvesters, and irrigation tools, has significantly contributed to this trend. Government initiatives promoting farm mechanization, including subsidies and financial assistance schemes, have further catalysed market expansion.

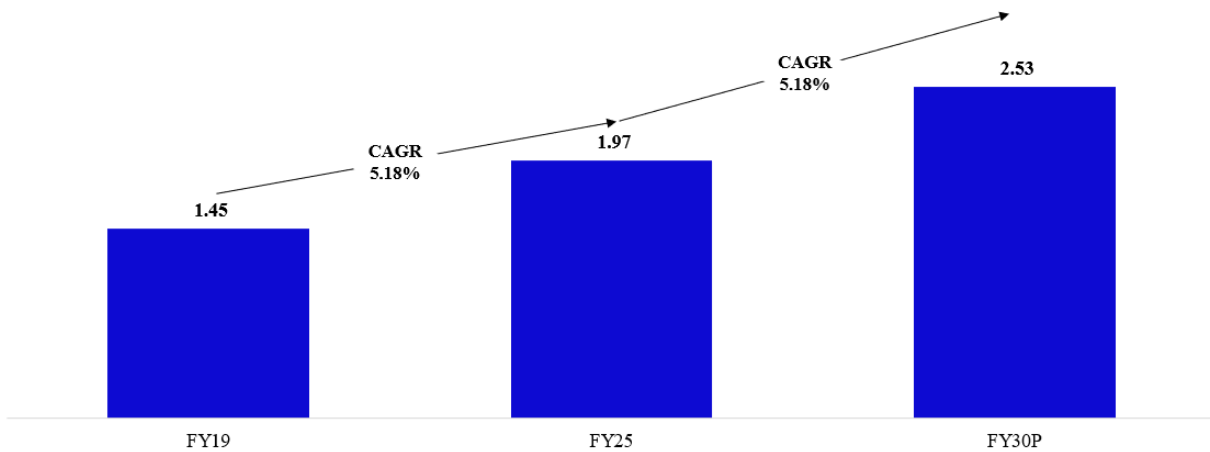
**Indian agricultural equipment market by value**  
(INR B, FY19-30P)



Source(s): 1Lattice analysis

The Indian agricultural equipment market has witnessed steady volume growth, increasing from 1.45M units in FY19 to an estimated 1.97M units in FY25, registering a CAGR of 5.18% during this period. Further growth is anticipated, with the market forecasted to reach 2.53M units by FY30, reflecting a CAGR of 5.18% between FY25 and FY30.

**Indian agricultural equipment market by volume**  
(#M, FY19-30P)

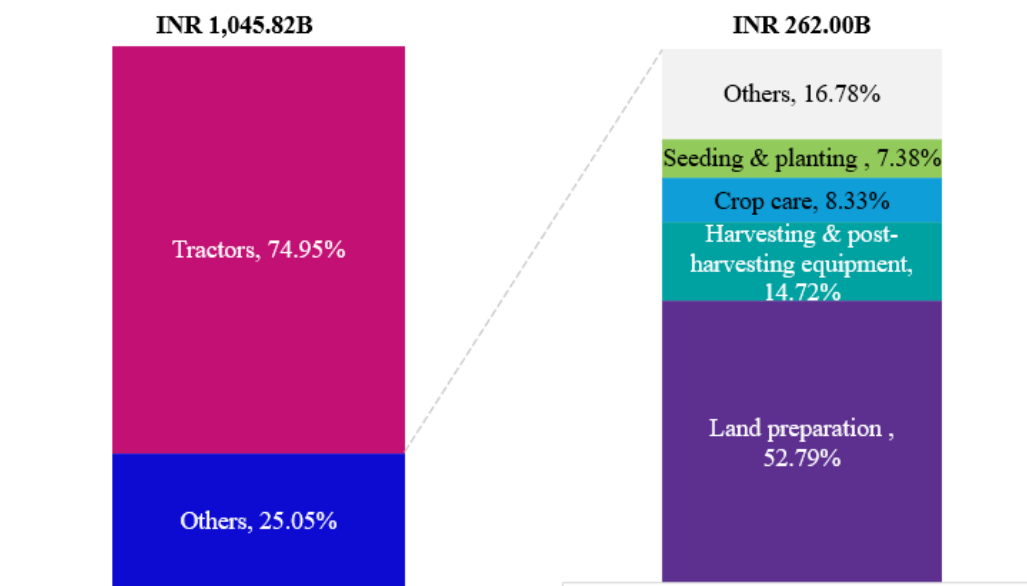


Source(s): 1Lattice analysis

**3.1.1 Tractors dominate the agricultural equipment market with 74.95% share, while other farm equipment accounts for the remaining 25.05%**

The agricultural equipment market in India is divided into two primary categories: tractors and other farm equipment, including tools such as ploughs, cultivators, tillers, and more. In FY25, the market was valued at INR 1,045.82B, with tractors dominating at 74.95% of the total value. The other farm equipment segment, valued at INR 262.00B, is further segmented by application. Land preparation equipment, including ploughs, cultivators, tillers, and harrows, accounts for the largest share at 52.79%. This is followed by harvesting and post-harvesting equipment, such as reapers, combine harvesters, and threshers, at 14.72%. Crop care equipment, like sprayers and weeders, is valued at 8.33%; and seeding and planting equipment, including planters, fertilizer drillers, and rice transplanters, at 7.38%. Other applications contribute the remaining 16.78%.

### Segmentation of Indian agricultural equipment market: By application (%, FY25)



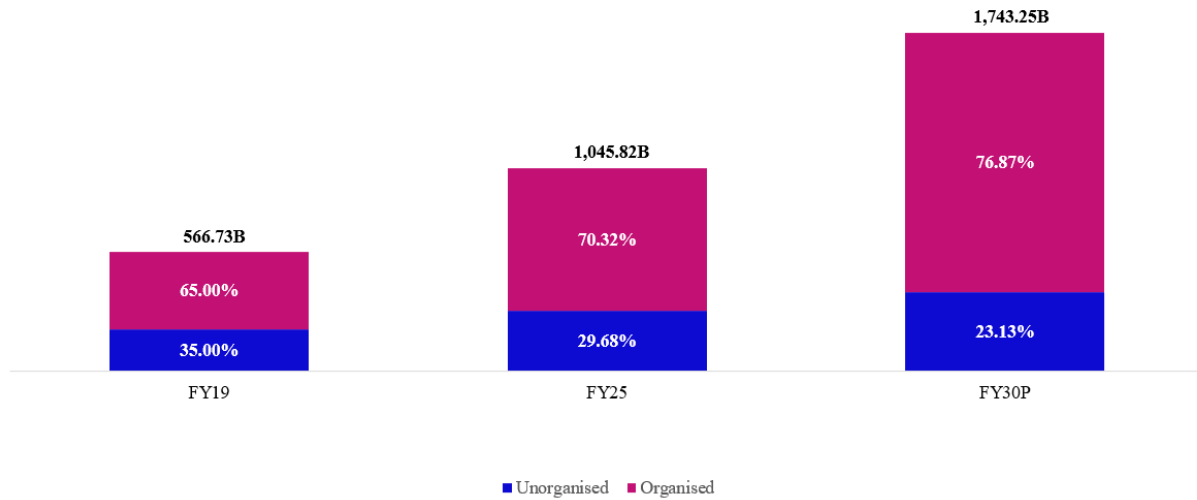
Source(s): ILattice analysis

#### 3.1.2 70.32% of the agricultural equipment market in India is organized, primarily due to the significant share of tractors, which dominate the market and operate within a highly organized segment

The Indian agricultural equipment market is segmented into organized and unorganized sectors, with organized players accounting for 70.32% of the market in FY25, while the unorganized segment holds 29.68%. By FY30, the market share of organized players is projected to rise to 76.87%, driven by a growing emphasis on farm mechanization. The dominance of the organized segment can be attributed to the significant contribution of tractors, which represents a highly organized market in India. Large equipment such as tractors, engines, irrigation equipment and plant protection equipment, are manufactured by organised players & state-owned industries. The need for sophisticated production technologies, high capital investments, in-house R&D capabilities & compliance with quality standards creates significant barriers to entry, allowing only large-scale organised players to participate.

In contrast, small hand tools & other implements are largely manufactured by unorganised small-scale industries & village craftsmen. Such industries & craftsmen largely rely upon public institutions for technological support, as they rarely have installed R&D facilities. The involvement of unorganised players is particularly dominant in rural areas where small-scale farmers rely on locally manufactured or second-hand equipment. Such unorganised markets are highly fragmented, due to the presence of numerous small-scale dealers & peer-to-peer sales. Despite the challenges posed by the unorganised market, ongoing government support & rising awareness about modern farming practices are gradually shifting the balance towards increased mechanisation & organised production.

**Segmentation of Indian agricultural equipment market : Market structure**  
(%, FY19-30P)



**3.2 Key market drivers & challenges**

**3.2.1 Due to the increased use of fuel-operated vehicles, wide adoption of drones, and modern irrigation techniques, there has been a shift in the agricultural landscape towards modernized farming methods**

The Indian agricultural landscape is undergoing a transformative shift towards modernised farming methods, driven by the adoption of advanced technologies & tools. Trends such as the increased use of fuel-operated vehicles, smart agricultural tools & techniques, widespread adoption of drones, & modern irrigation technologies highlight this transition. Such advancements not only enhance operational efficiency but also improve crop yields & reduce labour costs, making farming economically viable. Additionally, precision farming practices are also gaining momentum, enabling farmers to monitor & manage crops with greater accuracy. The adoption of real-time monitoring drones is increasingly reducing the reliance on human labour. This shift is being driven by initiatives like Namu Drone Didi, which plans to distribute drones to 15,000 Women SHGs during FY25-26, enabling them to offer rental services to farmers for agricultural purposes. Additionally, advanced irrigation methods, such as drip and sprinkler systems, are being implemented to address the challenges posed by erratic rainfall.

**Increased use of fuel-operated vehicles**

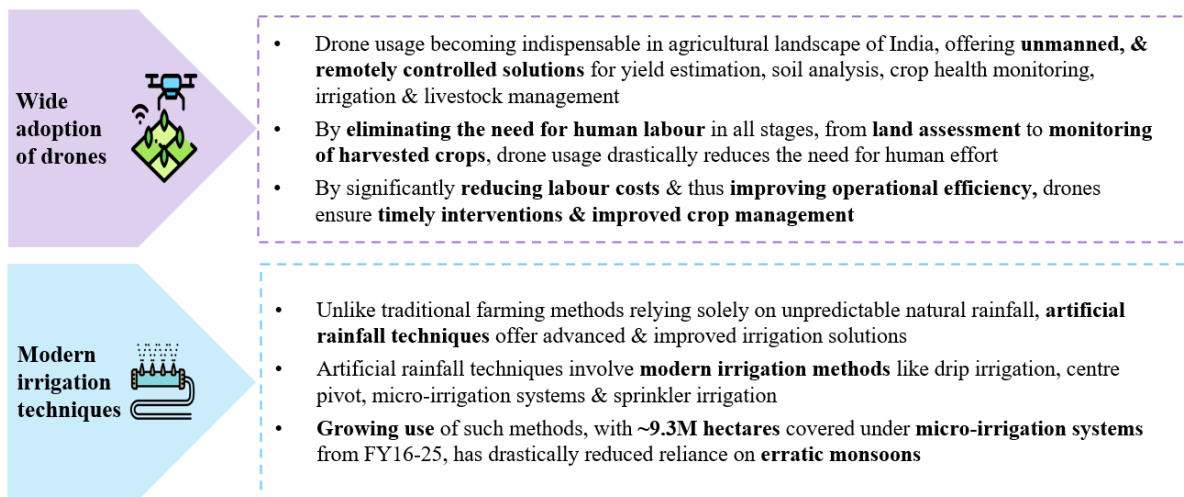


- Indian agricultural sector witnessed **considerable decline** in the use of **animal & human power** in agricultural activities paving the way for more mechanised **agri-equipment**
  - Large number of mechanised agri-equipment are **fuel operated vehicles**, reflecting a shift from **traditional to mechanised** approach to farming
- Increased mechanisation bolstered by a trend called “**tractorisat**ion”, with **~945K tractors** sold in **FY23**, compared to **~493K tractors** sold in **FY16**, reflecting **~10% CAGR**

**Smart agri-tools & techniques**



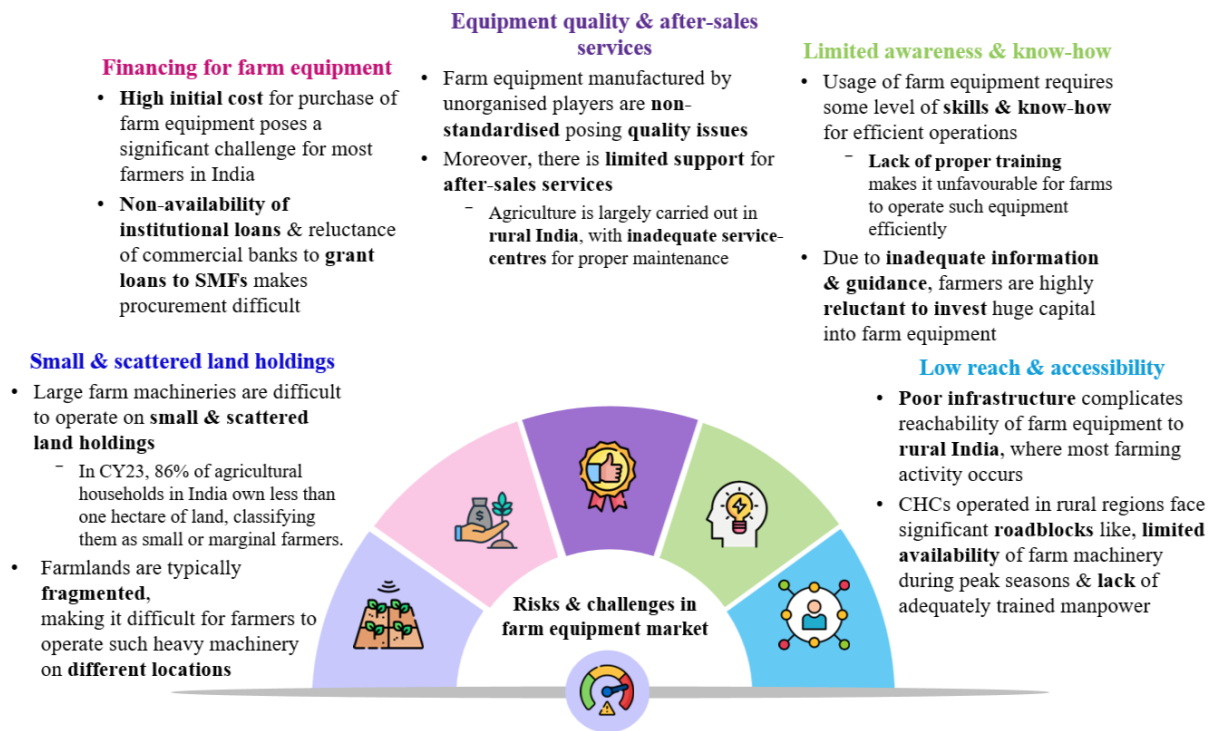
- Smart agricultural techniques like **precision farming & agriculture sensors** leverage technologies like **GIS & GPS** to optimise field-level management concerning crop farming
  - By precisely managing resources like water, fertilisers & pesticides, **such techniques increase total yield** while also minimising need for intense human labour
- Use of modern farming techniques supported by advance equipment have demonstrated to increase the yield by **up to ~30%**, while **minimising drudgery & pollution**



### 3.2.2 Small and scattered land holdings, financing constraints, limited after-sales services, and inadequate awareness pose challenges in the Indian agricultural equipment market

The farm equipment market in India faces various challenges hindering its growth & adoption. The use of farm machinery remains restricted due to small & fragmented landholdings among farmers. As per Agriculture Census FY16 marginal farmers, constituting ~65% of cultivators, collectively manage only 24% of the total cultivable land where the average landholding size for marginal farmers stands at a mere 0.38 hectares, a statistic that has remained unchanged for the past four decades. With high procurement costs coupled with limited access to credit, there are significant barriers to financing farm machinery amongst marginal farmers. The dominance of non-standardised equipment from unorganised players, inadequate after-sales support & low levels of awareness further complicate the adoption of farm mechanisation. Poor infrastructure & credit unavailability in rural areas further limit the accessibility of farm equipment, leaving many farmers unable to adopt mechanisation.

To address the risks and challenges in the Indian agricultural landscape, the government has introduced the SMAM scheme, providing subsidies ranging from 50% to 80% for farmers to purchase agricultural machinery, with a special focus on empowering women farmers. In response to growing demands for efficiency and competitiveness, agricultural equipment manufacturers are integrating advanced technologies such as robotics, GPS, and navigation systems, ushering in a new era of farm mechanization 2.0. These technological advancements are crucial as the average farm power availability has increased significantly, from 0.48 kW/ha in FY76 to 2.49 kW/ha in FY19, which needs to be increased to 4.0 kW/ha by CY30. By improving farm mechanization and adopting modern technologies, these efforts aim to enhance productivity, reduce labour dependence, and ensure sustainable agricultural growth in India.



### 3.2.3 Government initiatives such as the Sub-Mission on Agricultural Mechanization, custom hiring centres, Per Drop More Crop, and Nammo Drone Didi are driving the adoption of farm mechanization

The Government of India has been actively promoting farm mechanisation to enhance agricultural productivity & sustainability. Various policies & initiatives have been introduced to modernise farming practices to achieve farm power availability of 4KW per hectare by CY30. Key programs like Sub-Mission on Agricultural Mechanisation (SMAM) & the establishment of custom hiring centres (CHCs) are making advanced machinery accessible to small & marginal farmers. Additionally, targeted efforts such as in-situ management of crop residue, the Per Drop More Crop scheme, and state-led initiatives like the agricultural mechanisation scheme & Nammo Drone Didi are driving mechanisation at the grassroots level.



#### Sub-mission on Agricultural Mechanisation (SMAM)

- Dedicated scheme to boost **farm mechanisation** by making farm machines **accessible & affordable** for **SMFs**
- Annual budget of **~INR 1T** sanctioned for **FY25** for SMAM under which **direct financial assistance** is provided to farmers



#### Per Drop More Crop (PDMC)

- Aims to **increase water use efficiency** at farm level using **micro irrigation technologies**: drip & sprinkler irrigation systems
- Total area of **~9.3M hectare** covered with micro irrigation technology under PDMC from **FY16-25**



#### Establishment of custom hiring centres (CHCs)

- Institutions set up to provide machine **hiring options** to **SMFs**
  - In CY24, **~19K CHCs** established under agricultural infrastructure
- Set up of **~9K FMBs** targeted in **FY25** to provide financial assistance in **custom hiring** for appropriate locations & crops



#### State agricultural mechanisation scheme, Maharashtra

- Implemented by the Maharashtra State Agricultural Department to increase the **farm power availability** to **2 KW per hour**
- Aimed to enable SMFs to access **farm machinery & promote on-field demonstration & training** of stakeholders



#### Promotion of agricultural mechanisation for in-situ management of crop residue

- Crop residue management training program aimed to prevent burning of crop residue using **appropriate mechanisation inputs**
- Financial assistance up to **~50%** provided for the purchase of specific machinery used in **crop residue management**



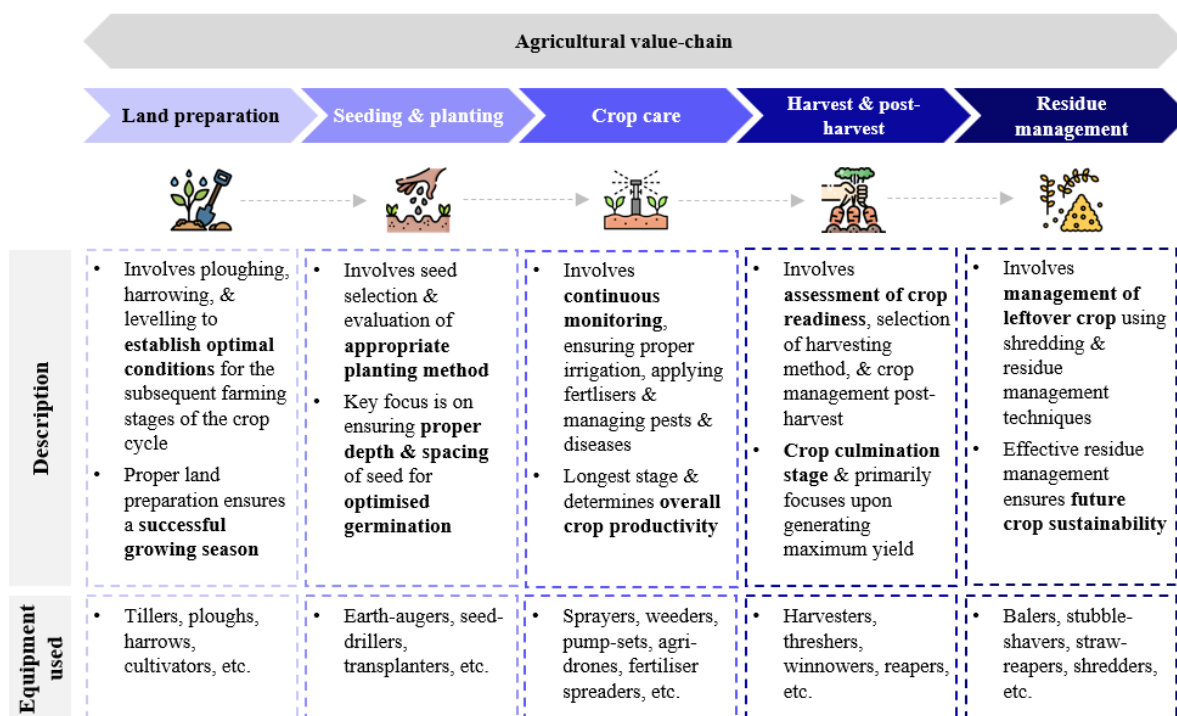
#### Namo Drone Didi

- Scheme launched to increase the **penetration of drone technology** in agriculture by the virtue of community-based organizations
- Under the scheme, **~15K drones** set to be provided to women SHGs from **FY25-26**, to further provide rental services to farmers

### 3.2.4 Agricultural value chain comprises land preparation, planting, crop care, harvesting, post-harvest activities, and residue management

The agricultural cycle involves five interconnected stages, each requiring specialised tools & equipment to optimise efficiency & outcomes. Each stage has a crucial link in the agricultural chain, driving productivity & sustainability through stage-specific implements.

- **Land preparation** stage begins with implements like tillers, ploughs, harrows, & cultivators which are used to loosen & condition the soil.
- **Seeding & planting** stage relies on tools like earth augers, seed drillers, & transplanters for precise sowing & placement of crops.
- **Crop care** stage ensures healthy growth, utilising sprayers for pest control, weeders for clearing unwanted plants, pump sets for irrigation, and brush cutters for field maintenance.
- **Harvesting & post-harvesting** stages mark the culmination stage of farming, involving harvesters, reapers, threshers, & winnowers to collect & process the produce.
- **Residue management** is the final stage which focuses on sustainable handling of crop remains, using balers, stubble shavers, & chaff cutters to clear fields & prepare for the next cycle.



### 3.2.5 ~75% manufacturing of simple agricultural equipment is in-house, while rest ~25% is outsourced

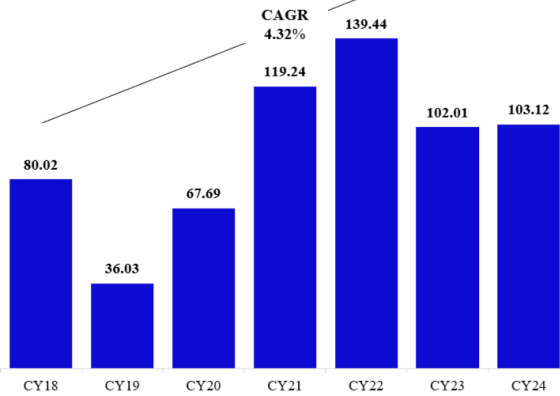
The manufacturing of agricultural equipment encompasses the design, production, and assembly of machinery and tools used in farming and related activities. This ranges from complex equipment like tractors, combine harvesters, transplanters, and power tillers to simpler equipment such as rotavators, seed drillers, and harrows. Producing complex equipment typically requires in-house expertise in precision engineering, assembly, and the integration of advanced technologies, however, due to resource constraints, many companies outsource key components. In contrast, simpler equipment production often follows a hybrid approach, combining in-house manufacturing with outsourcing to optimize cost and efficiency. A significant portion of simpler equipment manufacturing, is in house supported by backward integration, enabling manufacturers to maintain quality control while scaling operations to meet the agricultural sector's varied demands.

At an industry level, the manufacturing of complex equipment, such as tractors and combine harvesters, is heavily reliant on outsourcing, with ~75% of components, including engines, batteries, and software systems, sourced externally. Meanwhile, the production and assembly of simpler equipment, such as rotavators, seed drillers, and harrows, are predominantly managed in-house, with around ~75% of the process handled internally. Outsourcing for simpler tools is generally limited to raw materials and smaller components which comprise ~25% of the manufacturing.

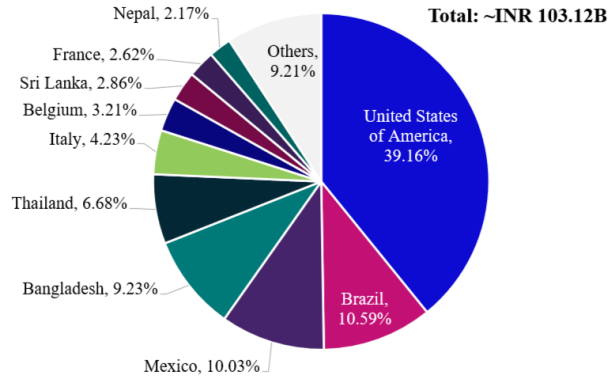
### 3.3 Agricultural equipment exports grew at a CAGR of 4.32% during CY18-24 reaching a value of INR 103.12B, with the USA holding the highest share of 39.16%

India's agricultural equipment exports recorded a CAGR of 4.32% during CY18 to CY24, growing from INR 80.02B in CY18 to INR 103.12B in CY24. The United States emerged as the largest export destination, contributing 39.16% of exports in CY24, followed by Brazil (10.59%), Mexico (10.03%), and Bangladesh (9.23%). Smaller markets, including the Netherlands, Türkiye, Kenya, & Germany, collectively accounted for ~9.21% of exports, showcasing a broad geographic footprint. However, exports declined from INR 139.44B in CY22 to INR 103.12B in CY24, largely due to reduced tractor exports, which form a significant portion of the total exports from India.

**Agricultural equipment exports from India**  
(INR B, CY18-24)



**Key countries India exports to**  
(%, CY24)



Note(s): US\$ 1 = INR 82.31; HSN codes & categories included: Tractors (870194, 870193, 870110, 870130, 870191, 870195, 870192), ploughs (843210), combine harvesters (843351), sprayers (842441, 842449), rotary & power tillers (843280), harrows, cultivators & weeders (843229), threshers (843352), trailers (871620), potato diggers (843353), seeders, planters & transplanters (84323), reapers (843390)  
Source(s): ITC TradeMap, I Lattice analysis

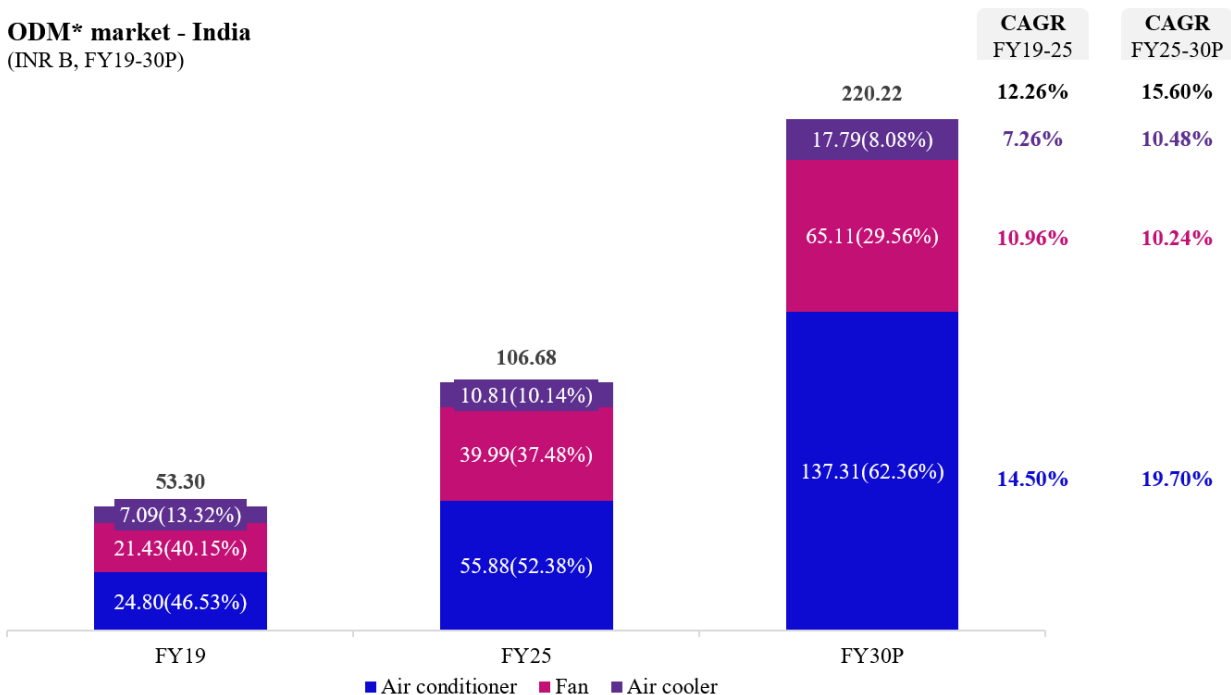
#### 4. Overview of ODM Market for Key Consumer Durables Products in India

##### 4.1 Indian ODM market expected to grow at CAGR of 15.60% during FY25-30 driven by cost effectiveness for brands & faster time to market

ODM companies create products according to the general specifications or product requirements outlined by brands. They oversee the sourcing of components, manufacturing, assembly, and product testing, and may also manage logistics and after-sales services in some instances. This approach fosters strong, long-term business relationships between ODMs and brands.

Indian ODM market was valued at ~INR 106.68B in FY25, up from FY19 levels of INR 53.30B. The market is expected to grow to INR 220.22B by FY30, at a CAGR of 15.60%.

**ODM\* market - India**  
(INR B, FY19-30P)



Note(s): \*Includes fans, air conditioners & air coolers  
Source(s): I Lattice analysis

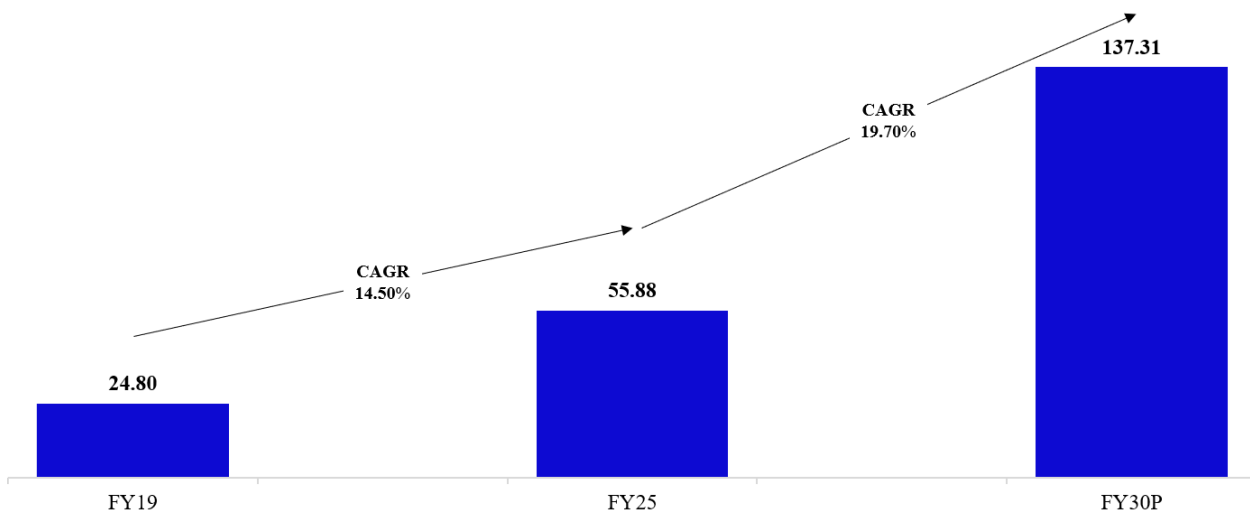
High growth of ODM market across consumer durables can be attributed to:

- **Cost effectiveness:** ODMs help brands lower capital and operational costs by removing the need for in-house manufacturing facilities, optimizing labour expenses, and benefiting from bulk procurement.
- **Faster time to market:** With ready production capacity, established supply chains, and standardized product development processes, ODMs enable quicker product launches.
- **Secure supply chain:** ODM partnerships reduce risks associated with sourcing, component shortages, and supply disruptions, ensuring consistent production flow.
- **Manufacturing expertise:** ODMs have specialized knowledge in fabrication, assembly, and quality control, allowing for efficient and reliable production, allowing brands to focus on marketing and distribution.
- **Access to Latest technology:** By investing in R&D and advanced manufacturing techniques, ODMs provide brands access to modern technology without requiring significant in-house development.

**4.1.1 Indian ODM market for air conditioners valued at INR 55.88B in FY25, expected to grow at CAGR of 19.70% during FY25-30**

Indian ODM market for air conditioners was valued at INR 55.88B in FY25, up from INR 24.80B in FY19, and is further expected to grow to INR 137.31B by FY30, estimated to grow at a CAGR of 19.70% during FY25-30 (higher than expected CAGR of overall air conditioner market of 18.71% during FY25-30).

**Air conditioner ODM market size - India**  
(INR B, FY19-30P)

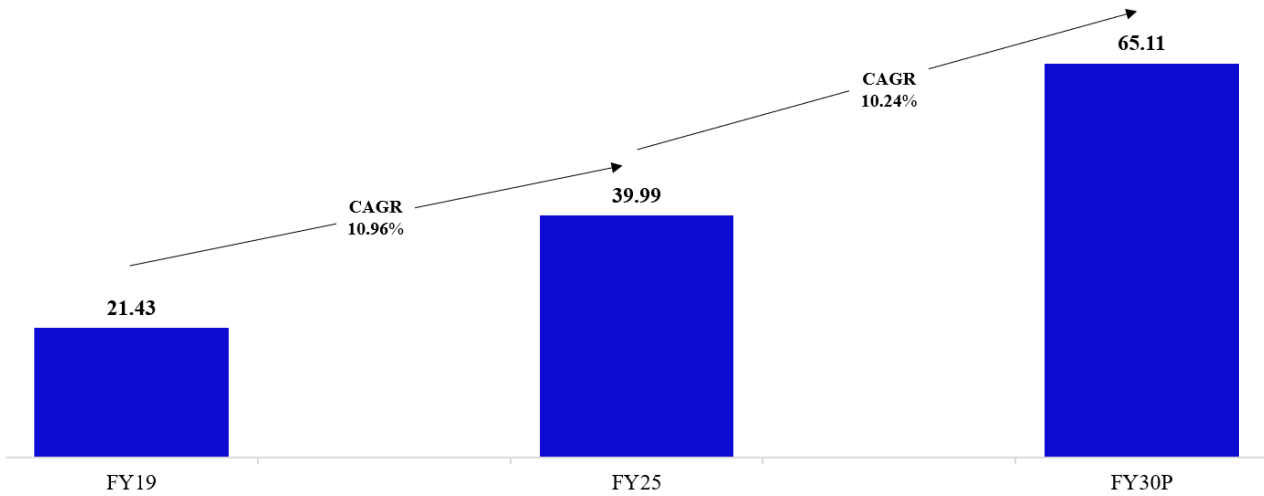


Source(s): ILattice analysis

**4.1.2 Indian ODM market for fans valued at INR 39.99B in FY25, expected to grow at CAGR of 10.24% during FY25-30**

Indian ODM market for fans was valued at INR 39.99B in FY30, up from INR 21.43B in FY19, and is further expected to grow to INR 65.11B by FY30, estimated to grow at a CAGR of 10.24% during FY25-30.

**Fan ODM market size - India**  
(INR B, FY19-30P)

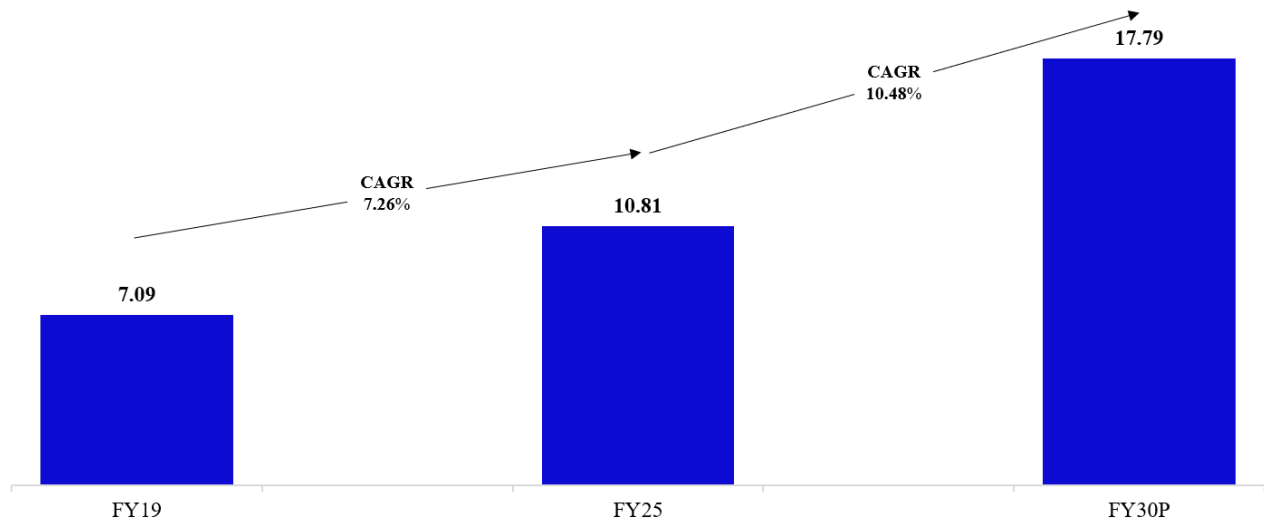


Source(s): ILattice analysis

**4.1.3 ODM market for air coolers valued at INR 10.81B in FY25, expected to grow at CAGR of 10.48% during FY25-30**

Indian ODM market for air coolers was valued at INR 10.81B in FY25, up from INR 7.09B in FY19, and is projected to reach INR 17.79B by FY30, estimated to grow at a CAGR of 10.48% during FY25-30 (higher than estimated CAGR of overall air cooler market, 9.06%, during the same period). The air cooler ODM industry has shown steady growth, 7.26%, during FY19-25, as air cooler brands adapt to evolving market demands and seasonal consumption patterns.

**Air cooler ODM market size - India**  
(INR B, FY19-30P)



Source(s): ILattice analysis

**4.2 Sector outlook**

**4.2.1 Economic developments like the push for increasing local value add, China +1 strategy, along with technological developments like robotic manufacturing processes & shift to sustainable products favouring ODM market**

The ODM landscape in India is positioned at a pivotal intersection of economic growth and technological advancement. The consumer durables market is expanding robustly, with India's cost competitiveness and the China +1 strategy providing manufacturing tailwinds. Manufacturers are simultaneously adopting transformative production technologies. This convergence of favourable economic indicators, technological innovation, and inherent cost advantages creates compelling opportunities in the ODM sector.

## Economic outlook



### Increasing local value-add

India is working towards increasing **local value addition** for consumer durables

- E.g., Indian RAC industry remains heavily reliant on imports, with imported components accounting for 60-65% of the product value

### China +1 strategy



The shift away from China, driven by rising costs and **geopolitical risks**, creates demand for alternative manufacturing hubs like India

### Cost competitiveness



India has one of the **lowest labour costs** & related expenses, giving it advantages over other countries, including, China

- Labour costs in India are >40% cheaper than China

## Technological outlook



### Advanced manufacturing processes

Advanced manufacturing processes like **laser cutting** are being adopted to enhance precision in manufacturing processes, leading to reduced wastage of resources



### Automated production lines

Manufacturing companies are adopting robotics for **increased automation**, E.g., adoption of robots to handle grinding in fan production process



### Need for greener products

Manufacturers are shifting towards **environmentally friendly** electric devices and increasing the use of recyclable materials to align with sustainability objectives

## 4.2.2 Government initiatives like BIS certification requirement, Production Linked Incentives, Make in India & custom duty hike supporting ODM market growth

The Indian government has implemented comprehensive policy measures to strengthen domestic manufacturing capabilities in the consumer durables sector. These strategic initiatives encompass regulatory frameworks, fiscal incentives, and trade policies designed to foster indigenous production while ensuring quality standards. The multilayered approach addresses key aspects from quality certification to manufacturing incentives, creating a robust ecosystem for ODMs.



### BIS certification requirement

- **Government mandated** BIS certification for selling consumer electricals like air conditioners, fans, etc.
  - Acts as deterrent for imported products from competing markets like China, Thailand, etc.
- Difficult for unorganized players to obtain BIS certificate due to inferior product quality



### Production Linked Incentive

- Aims to **increase domestic manufacturing** by providing sales & capex linked incentives
- Conditions on minimum level of domestic value addition and share of locally manufactured components to **discourage mere assembly-based ventures**



### Make in India

- Aims to make India a global manufacturing hub, by facilitating both domestic as well as **international companies** to set-up manufacturing bases in India
- Introduces measures like **promoting FDI**, implementing intellectual property rights and developing the manufacturing sector



### Custom duty hike

- Aims to disincentivize imports by increasing custom duties on imported of finished goods
  - **Basic customs duty (BCD)** was doubled from 10% to 20% for import of air conditioners
- Offers **same or lower BCD** on import of components required for domestic manufacturing

## 4.3 Comparison of in-house manufacturing vs outsourcing across major consumer electrical brands

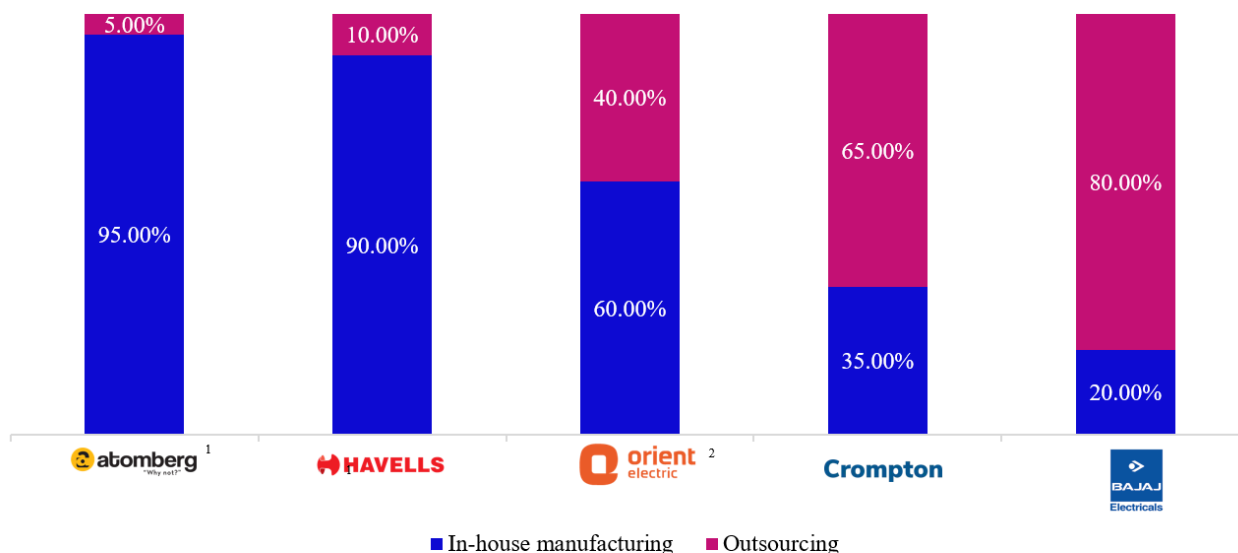
Major consumer electrical brands balance in-house manufacturing and outsourcing. E.g., Bajaj Electricals & Crompton have higher outsourcing levels at 80.00% and 65.00%, respectively, while Havells maintains higher in-house manufacturing at 90.00%. RR Kabel & Atomberg have the highest in-house manufacturing share amongst these players, at 95.00%.

Brands favour outsourcing primarily to minimize capital expenditure associated with manufacturing capabilities. Outsourcing also allows brands to leverage specialized vendor capabilities, manage production uncertainties, and

optimize costs. Outsourcing provides greater flexibility to adapt to market changes and focus internal resources on core competencies. Further, the trend of outsourcing has grown considerably over the years, driven by the asset-light business models of major industry players

In-house manufacturing though expensive, allows for greater control over quality through oversight of complete production process & also to protect intellectual properties like patents. Brands making niche products may prefer in-house manufacturing.

**In-house manufacturing vs. outsourcing for major consumer electrical brands**  
(%, FY24)










Note(s): <sup>1</sup>FY22, <sup>2</sup>FY21  
Source(s): Company websites, annual reports, ILattice analysis

Economic downturns, changes in trade policies, or political instability could influence clients’ decisions to outsource manufacturing to India. Tariffs, import/export restrictions, or changes in labour laws could make outsourcing less attractive. Advances in automation and manufacturing technologies may enable clients to set up their own efficient production lines, reducing their reliance on external manufacturers





**4.4 Value chain dynamics for FMEG**

The value chain of FMEG involves sourcing raw materials, producing components, assembling & integrating, packaging, distributing, selling through various channels, and providing after-sales services. Optimizing the value chain is essential for enhancing product quality, reducing delays, and maximizing customer satisfaction. By integrating processes and maintaining stringent quality checks, businesses can achieve zero defects and uphold the highest product standards. This comprehensive control from procurement to after-sales service, enables companies to streamline operations, minimize costs, and deliver exceptional products to the market. Silver compares favourably to industry standards in terms of quick turnaround time & market readiness.

| S.No. | Process   | Description   |
|-------|---|---|
| 1.    |  <b>Raw material sourcing</b>    | Raw materials such as copper, aluminium, plastics, steel, and other electronic components are sourced from mining companies and polymer manufacturers.  |
| 2.    |  <b>Component manufacturing</b>  | Processes involve electrical component production (switches, sockets, wires, fans, and lighting products), molding and casting, winding, and PCB assembly. Equipment includes injection molding, die-casting, wire winding, and PCB soldering machines. |
| 3.    |  <b>Assembly and integration</b> | Processes include subassembly, final assembly, and testing for electrical safety, performance, and durability. Conveyor belts, screwdriving systems, and insulation testers are used to ensure efficiency and quality.                                  |
| 4.    |  <b>Packaging</b>                | Labeling and secure packaging of products for transit, using machines like shrink-wrapping machines, carton sealing machines, and robotic palletizers.  |
| 5.    |  <b>Distribution</b>             | Processes include warehousing and logistics, ensuring timely transportation to distributors and retailers.  |
| 6.    |  <b>Retail and sales</b>       | Products are sold through online platforms, electrical shops, or large retail chains, along with B2B sales to industrial buyers. This stage focuses on customer satisfaction and demand fulfillment.  |
| 7.    |  <b>After-sales service</b>    | Services include installation, maintenance, and customer support for product issues or warranties.  |





#### 4.5 Comparison of peers in terms of presence across the value chain

A fully integrated presence across the value chain offers significant advantages, enabling companies to maintain better control over pricing, margins, and quality. By managing critical processes like raw material sourcing, manufacturing, distribution, and retail, organizations can reduce dependency on external players, ensuring cost efficiencies and operational flexibility. This integration also fosters consistency in product quality and enhances customer satisfaction by streamlining delivery and service. Moreover, having end-to-end control allows companies to respond quickly to market dynamics, mitigate risks, and create a competitive edge through better resource optimization and data-driven decision-making. The table below highlights the degree of vertical integration within the companies, showcasing how full control over the value chain can be a significant advantage.

| Companies   | Raw material sourcing | Manufacturing | Assembly | Packaging | Distribution | Retail and sales |
|---|-----------------------|---------------|----------|-----------|--------------|------------------|
|  | ✓                     | ✓             | ✓        | ✓         | ✓            | ✓                |
|  | ✓                     | ✗             | ✓        | ✓         | ✓            | ✗                |
|  | ✓                     | ✓             | ✓        | ✓         | ✓            | ✗                |
|  | ✓                     | ✓             | ✓        | ✓         | ✓            | ✗                |

#### 4.6 Key risks and challenges faced by ODM manufacturers

Original design manufacturers face significant challenges in maintaining competitiveness due to price sensitivity and rising costs of raw materials, labour, and energy. Heavy reliance on imported components exposes them to currency fluctuations, trade policies changes, and supply chain disruptions. Additionally, their behind-the-scenes operations make it difficult to establish brand identity or negotiate favourable terms in competitive markets. These challenges are further compounded by infrastructure bottlenecks, such as poor logistics, port congestion, and limited warehousing, which increase costs and delay operations.

| Price sensitivity and cost pressures   | Dependence on import of components   | Branding and market perception   | Infrastructural and logistical bottlenecks   |
|--|--|--|--|
|  <ul style="list-style-type: none"> <li>Indian markets are highly price-sensitive, which forces ODMs to maintain competitive pricing while managing rising costs of raw materials, labor, and energy</li> <li>Increasing competition from both domestic and international players puts significant pressure on profit margins</li> </ul> |  <ul style="list-style-type: none"> <li>ODM manufacturers rely on imports for critical raw materials, making them vulnerable to currency fluctuations, trade policies, and supply chain disruptions</li> <li>Key imports include AC and refrigerator compressors (65-70% from China and Thailand) and integrated circuits and flat panel displays from China, Hong Kong, and Taiwan</li> </ul> |  <ul style="list-style-type: none"> <li>ODMs operate behind the scenes, making it challenging to build a brand identity</li> <li>This anonymity can make it harder to negotiate better terms with clients or establish a reputation in competitive markets</li> <li>Without a strong brand, ODMs compete on cost rather than value, limiting pricing power and profit margins</li> </ul> |  <ul style="list-style-type: none"> <li>Rapid technological advancements and R&amp;D innovations increase competition and manufacturing costs <ul style="list-style-type: none"> <li>For e.g.: Constant updates in smartphone and AC technologies demand frequent process and design changes</li> </ul> </li> <li>Infrastructure bottlenecks like poor logistics, port congestion, and limited warehousing delay exports and increase costs for ODM manufacturers</li> </ul> |

#### 5. Summary of TAM for the Company

The Total Addressable Market (TAM) across various segments - lighting, pumps, fan, air cooler, geyser, agri equipment has shown significant growth over the years, TAM grew from INR 1,073.99B in FY19 to INR 2,072.47B in FY25 at a CAGR of 11.58% and is projected to reach INR 3,372.46B by FY30P, accelerating to a CAGR of 10.62% over FY25-30.

| Total Addressable Market (TAM) summary table |                        |                 |                 |                  |                 |                  |
|--|------------------------|-----------------|-----------------|------------------|-----------------|------------------|
| Category                                     | TAM by segment         | FY19<br>(INR B) | FY25<br>(INR B) | FY30P<br>(INR B) | CAGR<br>FY19-25 | CAGR<br>FY25-30P |
|  | Fan                    | 89.42           | 165.60          | 263.06           | 10.82%          | 9.70%            |
|  | Lighting               | 222.18          | 420.19          | 684.58           | 11.20%          | 10.25%           |
| ECD<br>related                               | Pumps (includes solar) | 152.41          | 380.52          | 591.92           | 16.47%          | 9.24%            |
|  | Air cooler             | 24.09           | 33.86           | 52.24            | 5.21%           | 9.06%            |
|  | Geyser                 | 19.16           | 26.48           | 37.41            | 5.22%           | 7.16%            |
| Agri<br>related                              | Agri equipment         | 566.73          | 1,045.82        | 1,743.25         | 10.75%          | 10.76%           |
|  | <b>Total</b>           | <b>1,073.99</b> | <b>2,072.47</b> | <b>3,372.46</b>  | <b>11.58%</b>   | <b>10.62%</b>    |

Source(s): I.Lattice analysis

Future product categories






## 6. Company overview
















Silver Pumps, established in 1981, is the one of the few companies operating across multiple product categories with a global presence in 18 countries. Silver with over four decades of industry experience, has established a reputation for innovation, quality and reliability. Its diverse offerings span ECD, Agricultural equipment and Original Design Manufacturing (ODM). Silver has established India's largest single-location and vertically integrated electrical consumer durables and agricultural equipment plant in Rajkot, Gujarat, spread over 138,821 square meters. As of 31<sup>st</sup> March 2025, Silver has India's one of the leading installed capacities of 2,400,000 units for pumps and motors, and 7,200,000 units for fans. Silver also has installed capacity of 219,00,000 units for lighting products and 72,000 units for agricultural equipment. Silver is one of the largest companies in terms of manufacturing capacities in the residential and solar pumps segment as of March 31, 2025. By pioneering the localization of content and materials, Silver has gained a competitive edge over established players, further solidifying their position in the industry. Silver's strategic investments in advanced manufacturing and technologies led to positioning Silver as one of the fastest growing players in the industry. Silver execution capabilities are characterized by their ability to deliver quality products efficiently. They have established streamlined processes that reduce turnaround time for product development and delivery. Silver's quick turnaround and market readiness has made them a preferred partner for renowned OEMs. With over 3,450 permanent employees as of 31<sup>st</sup> March 2025, Silver is one of the largest employers in Rajkot, Gujarat.

### 6.1 Operational benchmarking

#### 6.1.1 Pumps and motors

Silver Pumps operates one of the largest manufacturing facility in the industry, spanning 138,821 square meters, with an annual production capacity of 2.4 million pump units.

| Particulars        |   |  |  |  |  |  |
|--------------------|---|---|---|--|---|---|
| Presence           |  Year of establishment | 1981  | 1888  | 1871   | 1982  | 2003  |
|                    |  Global presence       | ✓   | ✓   | ✓  | ✓   | ✓   |
|                    |  Number of countries   | 18  | 120   | 150  | 120*  | 20*   |
| Category offerings |  Pumps                 | ✓   | ✓   | ✓  | ✓   | ✓   |
|                    |  Induction motors      | ✓   | ✗   | ✓  | ✓   | ✓   |
|                    |  Solar solutions       | ✓   | ✗   | ✓  | ✓   | ✓   |
|                    |  Agriculture equipment | ✓   | ✗   | ✗  | ✗   | ✗   |
|                    |  Fans                  | ✓   | ✗   | ✗  | ✗   | ✗   |
|                    |  Heaters               | ✓   | ✗   | ✗  | ✗   | ✗   |
|                    |  Home Appliances       | ✓   | ✗   | ✗  | ✗   | ✗   |
|                    |  Lighting              | ✓   | ✗   | ✗  | ✗   | ✗   |
| Pumps by end use   |  Residential           | ✓   | ✓   | ✓  | ✓   | ✓   |
|                    |  Industrial            | ✓   | ✓   | ✓  | ✓   | ✓   |
|                    |  Agriculture          | ✓   | ✓   | ✓  | ✓   | ✓   |
















| Particulars             |  |  |  |  |  |  |
|-------------------------|--|---|---|--|---|---|
| Manufacturing           |  Manufacturing capacity - pumps     | 2.4M units / year   | 3.3M units / year   | NA   | 0.5M units / year*  | NA  |
|                         |  Manufacturing facility area (sq m) | 138,821   | NA  | NA   | 127,171*  | 41,076*   |
| Certifications          |  ISO 9001                           | ✓   | ✓   | ✓  | ✓   | ✓   |
|                         |  Others                             | ISO 14001<br>ISO 45001<br>ISO 17025   | ISO 14001<br>ISO 45001<br>ISO 50001   | ISO 14001<br>ISO 45001   | NA  | NA  |
| Sales channel           |  White label                        | ✓   | ✗   | ✗  | ✓   | ✗   |
|                         |  Own brand                          | ✓   | ✓   | ✓  | ✓   | ✓   |
| Distribution capability |  # of retailers                     | 5,616   | NA  | NA   | NA  | NA  |
|                         |  # of distributors                  | 102   | 1,152   | 931  | 678*  | 925*  |
|                         |  # of Instagram followers**         | 7.1K  | 10.9K   | 4.6K   | 11.8K   | 2.59K   |
|                         |  Brand ambassador                   | Hardik Pandya   | NA  | NA   | Amitabh Bachchan  | NA  |
















Note(s): \*FY24 data

\*\*Instagram followers as of 9<sup>th</sup> July'25

### 6.1.2 ODM

Silver Pumps offers the widest range of categories among its peers, with a diverse portfolio spanning pumps, motors, home appliances, and more.


















| Particulars        |   |  |        |  |  |
|--------------------|---|---|---|---|---|
| Presence           |  Year of establishment | 1981  | 2003  | 2009  | 1990  |
|                    |  Global presence       | ✓   | ✗   | ✗   | ✓   |
|                    |  Number of countries   | 18  | 1*  | NA  | NA  |
| Category offerings |  Pumps                 | ✓   | ✗   | ✗   | ✗   |
|                    |  Induction motors      | ✓   | ✗   | ✗   | ✗   |
|                    |  Solar solutions       | ✓   | ✗   | ✗   | ✗   |
|                    |  Agriculture equipment | ✓   | ✗   | ✗   | ✗   |
|                    |  Fans                  | ✓   | ✓   | ✓   | ✓   |
|                    |  Heaters               | ✓   | ✗   | ✗   | ✗   |
|                    |  Home Appliances       | ✓   | ✓   | ✗   | ✓   |
|                    |  Lighting              | ✓   | ✗   | ✗   | ✗   |
|                    | Others  | NA  | Washing machine<br>Led TVs<br>Air coolers<br>Bathroom fittings<br>Automotive components | NA  | NA  |















| Particulars             |  |  |  |  |  |
|-------------------------|--|--|--|--|--|
| Manufacturing           |  FMEG manufacturing capacity – fans (per annum) | 7.2M units   | NA   | 14.4M units  | NA   |
|                         |  Manufacturing facility area (sq m)             | 138,821  | NA   | 27,871   | NA   |
|                         |  Team members                                   | 3,450  | 6,956*   | 186*   | 2,500*   |
| Certifications          |  ISO 9001                                       | ✓  | ✓  | ✓  | ✓  |
|                         |  Others   | ISO 14001<br>ISO 45001<br>ISO 17025  | ISO 14001<br>ISO 45001   | ISO 14001  | NA   |
| Share %                 |  OEM  | 71.84%   | NA   | NA   | NA   |
|                         |  Own brand                                      | 28.02%   | NA   | NA   | NA   |
| Distribution capability |  # of retailers                                 | 5,616  | NA   | NA   | NA   |
|                         |  # of distributors                              | 102  | NA   | NA   | NA   |
|                         |  # of Instagram followers**                     | 7.1K   | NA   | 3.54K  | 77   |
|                         |  Brand ambassador                               | Hardik Pandya  | NA   | NA   | NA   |

Note(s): \*FY24 data

\*\*Instagram followers as of 9<sup>th</sup> July'25

### 6.1.3 Consumer electronics

| Particulars  |  |  |  |  |  |  |  |
|--|--|---|---|---|---|---|---|
| Presence   |  Year of establishment  | 1981  | 1958  | 1937  | 1938  | 2002  | 2012  |
|  |  Global presence        | ✓   | ✓   | ✓   | NA  | ✓   | NA  |
|  |  Number of countries    | 18  | 70+   | 39  | NA  | 30+   | NA  |
| Category offerings   |  Pumps                  | ✓   | ✓   | ✓   | ✗   | ✗   | ✗   |
|  |  Induction motors       | ✓   | ✓   | ✗   | ✗   | ✗   | ✗   |
|  |  Agriculture equipments | ✓   | ✓   | ✓   | ✗   | ✗   | ✗   |
|  |  Fans                   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   |
|  |  Solar                  | ✓   | ✗   | ✓   | ✗   | ✗   | ✗   |
|  |  Heaters                | ✓   | ✓   | ✓   | ✓   | ✓   | ✗   |
|  |  Home Appliances        | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   |
|  Lighting | ✓  | ✓   | ✓   | ✓   | ✓   | ✗   |   |

| Particulars             |  |  |  |  |  |  |  |
|-------------------------|--|---|---|---|---|---|---|
| Manufacturing           |  Manufacturing facility area (sq m) | 138,821   | NA  | NA  | 67,840*   | NA  | NA  |
|                         |  Team members                       | 3,450   | 7,117   | 7,052   | 1,958*  | 4,066   | 750*  |
| Certifications          |  ISO 9001                         | ✓   | ✓   | ✓   | ✓   | ✓   | ✗   |
|                         |  Others                           | ISO 14001<br>ISO 45001<br>ISO 17025   | ISO 14001<br>ISO 45001<br>OHSAS   | ISO 14001<br>ISO 45001  | ISO 14001<br>ZWL<br>ISO 45001   | ISO 14001<br>ISO 50001  | BEE rated   |
| Distribution capability |  # of retailers                   | 5,616   | 2,68,000  | 2,36,000+   | 2,00,000*   | NA  | 35,000*   |
|                         |  # of distributors                | 102   | 16,324  | 2,800+  | 700*  | 4,680   | NA  |
|                         |  # of Instagram followers**       | 7.1K  | 196K  | 106K  | 83.5K   | 126K  | 115K  |
|                         |  Brand ambassador                 | Hardik Pandya   | Influencer collaboration with multiple celebrities                                | Influencer collaboration with multiple celebrities                                | Influencer collaboration with multiple celebrities                                  | M S Dhoni   | Harsha Bhogle   |

Note(s): \*FY24 data  
\*\*Instagram followers as of 9<sup>th</sup> July'25

#### 6.1.4 Agriculture equipment

Silver provides a comprehensive range of agricultural equipment, including land preparation, seeding & planting, crop care, harvesting, and residue management solutions. It is the only player which provides 5 of the agri cycle equipment.

| Particulars              |                              | SILVER | VST  | SHAKTIMAN ^ | FIELDKING | KisanKraft® |
|--------------------------|------------------------------|--------|------|-------------|-----------|-------------|
| Presence                 | Year of establishment        | 1981   | 1967 | 1997        | 1978      | 2005        |
|                          | Global presence              | ✓      | ✓    | ✓           | ✓         | ✓           |
|                          | Number of countries          | 18     | 40*  | 100+*       | 106*      | 9+*         |
| Category offerings       | Pumps                        | ✓      | ✓    | ✗           | ✗         | ✗           |
|                          | Induction motors             | ✓      | ✗    | ✗           | ✗         | ✗           |
|                          | Agriculture equipment        | ✓      | ✗    | ✓           | ✓         | ✗           |
|                          | Fans                         | ✓      | ✗    | ✗           | ✗         | ✓           |
|                          | Solar                        | ✓      | ✓    | ✗           | ✗         | ✗           |
|                          | Heaters                      | ✓      | ✗    | ✗           | ✗         | ✗           |
|                          | Home Appliances              | ✓      | ✗    | ✗           | ✗         | ✗           |
|                          | Lighting                     | ✓      | ✗    | ✗           | ✗         | ✗           |
| Agri equipment offerings | Land preparation equipment   | ✓      | ✓    | ✓           | ✓         | ✗           |
|                          | Seeding & planting equipment | ✓      | ✓    | ✓           | ✓         | ✓           |
|                          | Crop care equipment          | ✓      | ✓    | ✓           | ✓         | ✓           |
|                          | Harvesting equipment         | ✓      | ✓    | ✓           | ✓         | ✓           |
|                          | Residue management           | ✓      | ✗    | ✓           | ✗         | ✗           |

| Particulars             |                                    | SILVER                              | VST   | SHAKTIMAN ^ | FIELDKING           | KisanKraft®   |
|-------------------------|------------------------------------|-------------------------------------|-------|-------------|---------------------|---------------|
| Manufacturing           | Manufacturing facility area (sq m) | 138,821                             | NA    | 111,289*    | 160,000*            | NA            |
|                         | Team members                       | 3,450                               | 1,160 | NA          | 700*                | 275*          |
| Certifications          | ISO 9001                           | ✓                                   | ✓     | ✓           | ✓                   | ✓             |
|                         | Others                             | ISO 14001<br>ISO 45001<br>ISO 17025 | NA    | NA          | OHSAS<br>EMS 140001 | BIS 7347:1974 |
| Distribution capability | # of retailers                     | 5,616                               | 6,249 | NA          | NA                  | NA            |
|                         | # of distributors                  | 102                                 | 85    | 100+*       | NA                  | NA            |
|                         | # of Instagram followers**         | 7.1K                                | 5.1K  | 5.1K        | 8.3K                | 9.3K          |
|                         | Brand ambassador                   | Hardik Pandya                       | NA    | NA          | NA                  | NA            |

Note(s): \*FY24 data, \*\*Instagram followers as of 9<sup>th</sup> July '25  
^Shaktiman is a brand of Tirth Agro

## 6.2 Financial Benchmarking

Silver is the fastest-growing manufacturer of ECD and agricultural equipment in India in terms of revenue from operations with a CAGR of 95.17% between FY23-25. In FY25, Silver has the highest Gross margin among ODM peers.

### 6.2.1 Pumps and motors

| Company      | Revenue growth y-o-y |         |         |
|--------------|----------------------|---------|---------|
|              | FY22-23              | FY23-24 | FY24-25 |
| Silver Pumps | NA                   | 111.04% | 80.49%  |
| Kirloskar    | 22.00%               | 7.26%   | 12.27%  |
| KSB          | 21.68%               | 23.34%  | 12.72%  |
| Shakti Pumps | -17.89%              | 41.65%  | 83.57%  |
| Oswal Pumps  | 6.84%                | 97.01%  | 88.55%  |

| Parameters | Company | FY23 | FY24 | FY25 |
|------------|---------|------|------|------|
|------------|---------|------|------|------|

|  |              |           |           |           |
|--|--------------|-----------|-----------|-----------|
| <b>Revenue from operations (INR M)</b> | Silver Pumps | 4,164.83  | 8,789.27  | 15,863.83 |
|  | Kirloskar    | 37,302.21 | 40,011.99 | 44,922.43 |
|  | KSB          | 18,219.60 | 22,472.38 | 25,330.86 |
|  | Shakti Pumps | 9,676.83  | 13,707.39 | 25,162.40 |
|  | Oswal Pumps  | 3,850.36  | 7,585.71  | 14,303.07 |
| <b>Gross profit (INR M)</b>            | Silver Pumps | 1,300.40  | 2,541.83  | 4,389.85  |
|  | Kirloskar    | 17,756.04 | 20,181.62 | 22,945.11 |
|  | KSB          | 8,339.59  | 9,697.28  | 11,109.42 |
|  | Shakti Pumps | 2,243.18  | 4,510.81  | 9,493.00  |
|  | Oswal Pumps  | 1,181.94  | 2,556.05  | 6,314.07  |
| <b>Gross margin (%)</b>                | Silver Pumps | 31.22%    | 28.92%    | 27.67%    |
|  | Kirloskar    | 47.60%    | 50.44%    | 51.08%    |
|  | KSB          | 45.77%    | 43.15%    | 43.86%    |
|  | Shakti Pumps | 23.18%    | 32.91%    | 37.73%    |
|  | Oswal Pumps  | 30.70%    | 33.70%    | 44.14%    |
| <b>EBITDA (INR M)</b>                  | Silver Pumps | 467.14    | 881.67    | 1,615.11  |
|  | Kirloskar    | 4,369.70  | 5,884.10  | 6,963.03  |
|  | KSB          | 2,966.56  | 3,353.17  | 3,876.91  |
|  | Shakti Pumps | 698.13    | 2,283.95  | 6,200.40  |
|  | Oswal Pumps  | 602.55    | 1,527.87  | 4,243.69  |
| <b>EBITDA (%)</b>                      | Silver Pumps | 11.10%    | 9.87%     | 10.02%    |
|  | Kirloskar    | 11.63%    | 14.49%    | 15.26%    |
|  | KSB          | 15.91%    | 14.71%    | 15.09%    |
|  | Shakti Pumps | 7.19%     | 16.62%    | 24.48%    |
|  | Oswal Pumps  | 15.55%    | 20.07%    | 29.62%    |
| <b>PAT (INR M)</b>                     | Silver Pumps | 197.13    | 282.39    | 476.94    |
|  | Kirloskar    | 2,357.66  | 3,496.80  | 4,186.93  |
|  | KSB          | 1,827.41  | 2,087.33  | 2,474.75  |
|  | Shakti Pumps | 241.32    | 1,417.09  | 4,083.70  |
|  | Oswal Pumps  | 341.99    | 976.65    | 2,806.13  |
| <b>PAT (%)</b>                         | Silver Pumps | 4.68%     | 3.16%     | 2.96%     |
|  | Kirloskar    | 6.27%     | 8.61%     | 9.17%     |
|  | KSB          | 9.80%     | 9.16%     | 9.63%     |
|  | Shakti Pumps | 2.49%     | 10.31%    | 16.12%    |
|  | Oswal Pumps  | 8.83%     | 12.83%    | 19.58%    |
| <b>ROE (%)</b>                         | Silver Pumps | 25.30%    | 14.01%    | 10.15%    |
|  | Kirloskar    | 18.22%    | 22.33%    | 21.89%    |
|  | KSB          | 16.97%    | 17.07%    | 17.76%    |
|  | Shakti Pumps | 5.95%     | 24.15%    | 42.61%    |
|  | Oswal Pumps  | 55.73%    | 75.61%    | 87.47%    |
| <b>ROCE (%)</b>                        | Silver Pumps | 19.40%    | 13.13%    | 11.69%    |
|  | Kirloskar    | 22.92%    | 28.82%    | 29.52%    |
|  | KSB          | 23.34%    | 23.36%    | 23.92%    |
|  | Shakti Pumps | 10.39%    | 31.48%    | 55.37%    |
|  | Oswal Pumps  | 38.95%    | 73.37%    | 79.11%    |

|                                   |              |      |      |      |
|-----------------------------------|--------------|------|------|------|
| <b>Gross asset turnover ratio</b> | Silver Pumps | 3.65 | 2.94 | 3.19 |
|                                   | Kirloskar    | 2.86 | 2.76 | 2.96 |
|                                   | KSB          | 2.34 | 2.61 | 2.77 |
|                                   | Shakti Pumps | 3.32 | 4.28 | NA   |
|                                   | Oswal Pumps  | 4.19 | 6.61 | NA   |
| <b>Net working capital (Days)</b> | Silver Pumps | 94   | 96   | 104  |
|                                   | Kirloskar    | 64   | 74   | 78   |
|                                   | KSB          | 140  | 151  | 155  |
|                                   | Shakti Pumps | 121  | 99   | 88   |
|                                   | Oswal Pumps  | 73   | 99   | 154  |

| Parameters                                   | Company      | Category  | FY23    | FY24    | FY25    |
|--|--------------|-----------|---------|---------|---------|
| <b>Revenue split by product category (%)</b> | Silver Pumps | ECD*      | 99.91%  | 98.83%  | 94.87%  |
|  |              | Agri      | 0.00%   | 1.05%   | 4.99%   |
|  | Kirloskar    | ECD*      | 100.00% | 100.00% | 100.00% |
|  |              | Agri      | 0.00%   | 0.00%   | 0.00%   |
|  | KSB          | ECD*      | 100.00% | 100.00% | 100.00% |
|  |              | Agri      | 0.00%   | 0.00%   | 0.00%   |
|  | Shakti Pumps | ECD*      | 100.00% | 100.00% | 100.00% |
|  |              | Agri      | 0.00%   | 0.00%   | 0.00%   |
|  | Oswal Pumps  | ECD*      | 100.00% | 100.00% | 100.00% |
|  |              | Agri      | 0.00%   | 0.00%   | 0.00%   |
| <b>Revenue split by Own brand / OEM (%)</b>  | Silver Pumps | Own brand | 37.46%  | 69.85%  | 71.84%  |
|  |              | OEM       | 62.45%  | 30.03%  | 28.02%  |
|  | Kirloskar    | Own brand | NA      | NA      | NA      |
|  |              | OEM       | NA      | NA      | NA      |
|  | KSB          | Own brand | NA      | NA      | NA      |
|  |              | OEM       | NA      | NA      | NA      |
|  | Shakti Pumps | Own brand | 98.83%  | 98.90%  | NA      |
|  |              | OEM       | 1.17%   | 1.10%   | NA      |
| Oswal Pumps                                  | Own brand    | NA        | NA      | NA      |         |
|  | OEM          | NA        | NA      | NA      |         |

Note(s): \*Includes both pumps & valves

Silver's business consists of pumps & motors, ODM, consumer electronics and agri equipment, thus above-mentioned figure reflects consolidated business position than the segmental revenue.

For Silver revenue Split by Product categories includes revenue from sale of ECD and Agricultural equipment, however Revenue from Operations includes export incentive and other operating income for which product category split is not available

For Silver revenue Split by business model includes revenue from sale of products via own brands and OEM model, however Revenue from Operations includes export incentive and other operating income for which product category split is not available

## 6.2.2 ODM

| Company            | Revenue growth y-o-y |         |         |
|--------------------|----------------------|---------|---------|
|                    | FY22-23              | FY23-24 | FY24-25 |
| Silver Pumps       | NA                   | 111.04% | 80.49%  |
| PG Electroplast    | 94.30%               | 27.16%  | 77.30%  |
| Wonder Electricals | 1.04%                | 41.61%  | 56.93%  |
| Yash Fans          | 517.86%              | 8.93%   | NA      |

| Parameters | Company      | FY23     | FY24     | FY25      |
|------------|--------------|----------|----------|-----------|
|            | Silver Pumps | 4,164.83 | 8,789.27 | 15,863.83 |

|  |                    |           |           |           |
|--|--------------------|-----------|-----------|-----------|
| <b>Revenue from operations<br/>(INR M)</b> | PG Electroplast    | 21,599.48 | 27,464.95 | 48,695.32 |
|  | Wonder Electricals | 4,025.19  | 5,699.90  | 8,945.01  |
|  | Yash Fans          | 8,813.45  | 9,600.58  | NA        |
| <b>Gross profit<br/>(INR M)</b>            | Silver Pumps       | 1,300.40  | 2,541.83  | 4,389.85  |
|  | PG Electroplast    | 3,954.40  | 5,402.27  | 9,772.76  |
|  | Wonder Electricals | 505.08    | 744.81    | 1,167.35  |
|  | Yash Fans          | 844.67    | 1,241.72  | NA        |
| <b>Gross margin (%)</b>                    | Silver Pumps       | 31.22%    | 28.92%    | 27.67%    |
|  | PG Electroplast    | 18.31%    | 19.67%    | 20.07%    |
|  | Wonder Electricals | 12.55%    | 13.07%    | 13.05%    |
|  | Yash Fans          | 9.58%     | 12.93%    | NA        |
| <b>EBITDA<br/>(INR M)</b>                  | Silver Pumps       | 467.14    | 881.67    | 1,615.11  |
|  | PG Electroplast    | 1,804.26  | 2,726.92  | 5,160.36  |
|  | Wonder Electricals | 172.66    | 246.62    | 391.91    |
|  | Yash Fans          | 330.70    | 463.22    | NA        |
| <b>EBITDA<br/>(%)</b>                      | Silver Pumps       | 11.10%    | 9.87%     | 10.02%    |
|  | PG Electroplast    | 8.34%     | 9.88%     | 10.52%    |
|  | Wonder Electricals | 4.29%     | 4.33%     | 4.38%     |
|  | Yash Fans          | 3.72%     | 4.79%     | NA        |
| <b>PAT<br/>(INR M)</b>                     | Silver Pumps       | 197.13    | 282.39    | 476.94    |
|  | PG Electroplast    | 774.69    | 1,349.00  | 2,877.96  |
|  | Wonder Electricals | 62.91     | 101.56    | 165.76    |
|  | Yash Fans          | 112.06    | 172.40    | NA        |
| <b>PAT<br/>(%)</b>                         | Silver Pumps       | 4.68%     | 3.16%     | 2.96%     |
|  | PG Electroplast    | 3.58%     | 4.89%     | 5.87%     |
|  | Wonder Electricals | 1.56%     | 1.78%     | 1.85%     |
|  | Yash Fans          | 1.26%     | 1.78%     | NA        |
| <b>ROE<br/>(%)</b>                         | Silver Pumps       | 25.30%    | 14.01%    | 10.15%    |
|  | PG Electroplast    | 21.88%    | 18.81%    | 14.89%    |
|  | Wonder Electricals | 11.12%    | 13.77%    | 17.58%    |
|  | Yash Fans          | 16.66%    | 17.94%    | NA        |
| <b>ROCE<br/>(%)</b>                        | Silver Pumps       | 19.40%    | 13.13%    | 11.69%    |
|  | PG Electroplast    | 17.80%    | 19.35%    | 19.89%    |
|  | Wonder Electricals | 15.00%    | 15.99%    | 18.39%    |
|  | Yash Fans          | 15.83%    | 13.60%    | NA        |
| <b>Gross asset turnover ratio</b>          | Silver Pumps       | 3.65      | 2.94      | 3.19      |
|  | PG Electroplast    | 3.36      | 3.30      | NA        |
|  | Wonder Electricals | 6.67      | 7.91      | NA        |
|  | Yash Fans          | 9.25      | 9.39      | NA        |
| <b>Net working capital<br/>(Days)</b>      | Silver Pumps       | 94        | 96        | 104       |
|  | PG Electroplast    | 53        | 54        | 50        |
|  | Wonder Electricals | 28        | 37        | 41        |
|  | Yash Fans          | 25        | 56        | NA        |

| Parameters                            | Company            | Category  | FY23    | FY24    | FY25   |
|---------------------------------------|--------------------|-----------|---------|---------|--------|
| Revenue split by product category (%) | Silver Pumps       | ECD       | 99.91%  | 98.83%  | 94.87% |
|                                       |                    | Agri      | 0.00%   | 1.05%   | 4.99%  |
|                                       | PG Electroplast    | ECD       | 100.00% | 100.00% | NA     |
|                                       |                    | Agri      | 0.00%   | 0.00%   | NA     |
|                                       | Wonder Electricals | ECD       | NA      | NA      | NA     |
|                                       |                    | Agri      | NA      | NA      | NA     |
|                                       | Yash Fans          | ECD       | NA      | NA      | NA     |
|                                       |                    | Agri      | NA      | NA      | NA     |
| Revenue split by Own brand / OEM (%)  | Silver Pumps       | Own brand | 37.46%  | 69.85%  | 71.84% |
|                                       |                    | OEM       | 62.45%  | 30.03%  | 28.02% |
|                                       | PG Electroplast    | Own brand | NA      | NA      | NA     |
|                                       |                    | OEM       | NA      | NA      | NA     |
|                                       | Wonder Electricals | Own brand | NA      | NA      | NA     |
|                                       |                    | OEM       | NA      | NA      | NA     |
|                                       | Yash Fans          | Own brand | NA      | NA      | NA     |
|                                       |                    | OEM       | NA      | NA      | NA     |

Note(s): Silver's business consists of pumps & motors, ODM, consumer electronics and agri equipment, thus above-mentioned figure reflects consolidated business position than the segmental revenue.

Silver's business consists of pumps & motors, ODM, consumer electronics and agri equipment, thus above-mentioned figure reflects consolidated business position than the segmental revenue.

For Silver revenue Split by Product categories includes revenue from sale of ECD and Agricultural equipment, however Revenue from Operations includes export incentive and other operating income for which product category split is not available

For Silver revenue Split by business model includes revenue from sale of products via own brands and OEM model, however Revenue from Operations includes export incentive and other operating income for which product category split is not available

### 6.2.3 Consumer electronics

| Company           | Revenue growth y-o-y |         |         |
|-------------------|----------------------|---------|---------|
|                   | FY22-23              | FY23-24 | FY24-25 |
| Silver Pumps      | NA                   | 111.04% | 80.49%  |
| Havells India     | 21.32%               | 9.93%   | 17.15%  |
| Crompton Greaves  | 27.35%               | 6.45%   | 7.53%   |
| Bajaj Electricals | 1.58%                | -5.07%  | 4.03%   |
| Orient Electric   | 3.30%                | 11.19%  | 10.01%  |
| Atomberg          | 86.59%               | 31.54%  | NA      |

| Parameters                      | Company           | FY23        | FY24        | FY25        |
|---------------------------------|-------------------|-------------|-------------|-------------|
| Revenue from operations (INR M) | Silver Pumps      | 4,164.83    | 8,789.27    | 15,863.83   |
|                                 | Havells India     | 1,69,107.30 | 1,85,900.10 | 2,17,780.60 |
|                                 | Crompton Greaves  | 68,696.10   | 73,128.10   | 78,635.50   |
|                                 | Bajaj Electricals | 48,892.45   | 46,412.68   | 48,284.34   |
|                                 | Orient Electric   | 25,291.70   | 28,121.20   | 30,936.80   |
|                                 | Atomberg          | 6,451.39    | 8,486.17    | NA          |
| Gross profit (INR M)            | Silver Pumps      | 1,300.40    | 2,541.83    | 4,389.85    |
|                                 | Havells India     | 52,052.60   | 60,213.30   | 71,696.90   |
|                                 | Crompton Greaves  | 21,892.60   | 23,125.00   | 25,902.20   |
|                                 | Bajaj Electricals | 15,266.35   | 13,804.27   | 15,332.24   |
|                                 | Orient Electric   | 7,049.90    | 8,551.20    | 9,940.70    |
|                                 | Atomberg          | 2,550.26    | 4,001.83    | NA          |

|                                   |                   |           |           |           |
|-----------------------------------|-------------------|-----------|-----------|-----------|
| <b>Gross margin (%)</b>           | Silver Pumps      | 31.22%    | 28.92%    | 27.67%    |
|                                   | Havells India     | 30.78%    | 32.39%    | 32.92%    |
|                                   | Crompton Greaves  | 31.87%    | 31.62%    | 32.94%    |
|                                   | Bajaj Electricals | 31.22%    | 29.74%    | 31.75%    |
|                                   | Orient Electric   | 27.87%    | 30.41%    | 32.13%    |
|                                   | Atomberg          | 39.53%    | 47.16%    | NA        |
| <b>EBITDA (INR M)</b>             | Silver Pumps      | 467.14    | 881.67    | 1,615.11  |
|                                   | Havells India     | 17,768.50 | 20,915.80 | 24,341.30 |
|                                   | Crompton Greaves  | 8,372.50  | 7,810.80  | 9,570.20  |
|                                   | Bajaj Electricals | 4,197.88  | 3,461.59  | 3,622.28  |
|                                   | Orient Electric   | 1,775.90  | 1,598.60  | 2,155.40  |
|                                   | Atomberg          | -1,236.29 | -1,711.20 | NA        |
| <b>EBITDA (%)</b>                 | Silver Pumps      | 11.10%    | 9.87%     | 10.02%    |
|                                   | Havells India     | 10.40%    | 11.10%    | 11.02%    |
|                                   | Crompton Greaves  | 12.07%    | 10.58%    | 12.06%    |
|                                   | Bajaj Electricals | 8.51%     | 7.32%     | 7.42%     |
|                                   | Orient Electric   | 6.95%     | 5.65%     | 6.94%     |
|                                   | Atomberg          | -19.05%   | -19.79%   | NA        |
| <b>PAT (INR M)</b>                | Silver Pumps      | 197.13    | 282.39    | 476.94    |
|                                   | Havells India     | 10,717.30 | 12,707.60 | 14,702.40 |
|                                   | Crompton Greaves  | 4,764.00  | 4,417.80  | 5,640.80  |
|                                   | Bajaj Electricals | 2,154.42  | 1,358.77  | 1,334.25  |
|                                   | Orient Electric   | 758.50    | 752.70    | 832.10    |
|                                   | Atomberg          | -1,383.56 | -2,034.41 | NA        |
| <b>PAT (%)</b>                    | Silver Pumps      | 4.68%     | 3.16%     | 2.96%     |
|                                   | Havells India     | 6.27%     | 6.75%     | 6.66%     |
|                                   | Crompton Greaves  | 6.87%     | 5.99%     | 7.11%     |
|                                   | Bajaj Electricals | 4.37%     | 2.87%     | 2.73%     |
|                                   | Orient Electric   | 2.97%     | 2.66%     | 2.68%     |
|                                   | Atomberg          | -21.32%   | -23.53%   | NA        |
| <b>ROE (%)</b>                    | Silver Pumps      | 25.30%    | 14.01%    | 10.15%    |
|                                   | Havells India     | 16.97%    | 18.06%    | 18.63%    |
|                                   | Crompton Greaves  | 15.02%    | 13.48%    | 15.46%    |
|                                   | Bajaj Electricals | 11.93%    | 8.12%     | 8.43%     |
|                                   | Orient Electric   | 13.47%    | 12.30%    | 12.48%    |
|                                   | Atomberg          | -74.21%   | -219.19%  | NA        |
| <b>ROCE (%)</b>                   | Silver Pumps      | 19.40%    | 13.13%    | 11.69%    |
|                                   | Havells India     | 22.74%    | 24.92%    | 25.76%    |
|                                   | Crompton Greaves  | 16.26%    | 16.15%    | 19.63%    |
|                                   | Bajaj Electricals | 18.92%    | 14.13%    | 13.78%    |
|                                   | Orient Electric   | 21.57%    | 16.08%    | 19.91%    |
|                                   | Atomberg          | -40.13%   | -59.91%   | NA        |
| <b>Gross asset turnover ratio</b> | Silver Pumps      | 3.65      | 2.94      | 3.19      |
|                                   | Havells India     | 5.88      | 5.46      | 5.24      |
|                                   | Crompton Greaves  | 13.45     | 13.61     | 13.21     |
|                                   | Bajaj Electricals | 9.47      | 8.15      | 8.04      |

|                                   |                   |      |      |      |
|-----------------------------------|-------------------|------|------|------|
|                                   | Orient Electric   | 7.83 | 7.80 | 4.98 |
|                                   | Atomberg          | 9.47 | 6.98 | NA   |
| <b>Net working capital (Days)</b> | Silver Pumps      | 94   | 96   | 104  |
|                                   | Havells India     | 45   | 47   | 42   |
|                                   | Crompton Greaves  | 11   | 6    | -2   |
|                                   | Bajaj Electricals | 91   | 121  | 118  |
|                                   | Orient Electric   | 25   | 18   | 25   |
|                                   | Atomberg          | 34   | 52   | NA   |

| Parameters                                   | Company           | Category  | FY23    | FY24    | FY25    |
|--|-------------------|-----------|---------|---------|---------|
| <b>Revenue split by product category (%)</b> | Silver Pumps      | ECD       | 99.91%  | 98.83%  | 94.87%  |
|  |                   | Agri      | 0.00%   | 1.05%   | 4.99%   |
|  | Havells India     | ECD       | 100.00% | 100.00% | 100.00% |
|  |                   | Agri      | 0.00%   | 0.00%   | 0.00%   |
|  | Crompton Greaves  | ECD       | 100.00% | 100.00% | 100.00% |
|  |                   | Agri      | 0.00%   | 0.00%   | 0.00%   |
|  | Bajaj Electricals | ECD       | NA      | NA      | NA      |
|  |                   | Agri      | NA      | NA      | NA      |
|  | Orient Electric   | ECD       | 100.00% | 100.00% | 100.00% |
|  |                   | Agri      | 0.00%   | 0.00%   | 0.00%   |
|  | Atomberg          | ECD       | NA      | NA      | NA      |
|  |                   | Agri      | NA      | NA      | NA      |
| <b>Revenue split by Own brand / OEM (%)</b>  | Silver Pumps      | Own brand | 37.46%  | 69.85%  | 71.84%  |
|  |                   | OEM       | 62.45%  | 30.03%  | 28.02%  |
|  | Havells India     | Own brand | NA      | NA      | NA      |
|  |                   | OEM       | NA      | NA      | NA      |
|  | Crompton Greaves  | Own brand | NA      | NA      | NA      |
|  |                   | OEM       | NA      | NA      | NA      |
|  | Bajaj Electricals | Own brand | NA      | NA      | NA      |
|  |                   | OEM       | NA      | NA      | NA      |
|  | Orient Electric   | Own brand | NA      | NA      | NA      |
|  |                   | OEM       | NA      | NA      | NA      |
|  | Atomberg          | Own brand | NA      | NA      | NA      |
|  |                   | OEM       | NA      | NA      | NA      |

Note(s): Silver's business consists of pumps & motors, ODM, consumer electronics and agri equipment, thus above-mentioned figure reflects consolidated business position than the segmental revenue.

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For Silver revenue Split by Product categories includes revenue from sale of ECD and Agricultural equipment, however Revenue from Operations includes export incentive and other operating income for which product category split is not available

For Silver revenue Split by business model includes revenue from sale of products via own brands and OEM model, however Revenue from Operations includes export incentive and other operating income for which product category split is not available

#### 6.2.4 Agriculture equipment

| Company              | Revenue growth y-o-y |         |         |
|----------------------|----------------------|---------|---------|
|                      | FY22-23              | FY23-24 | FY24-25 |
| Silver Pumps         | NA                   | 111.04% | 80.49%  |
| VST Tillers Tractors | 17.87%               | -3.81%  | 2.74%   |
| Tirth Agro           | 27.44%               | -4.67%  | NA      |
| Fieldking            | -3.65%               | 4.38%   | NA      |

|            |       |       |    |
|------------|-------|-------|----|
| KisanKraft | 5.73% | 3.71% | NA |
|------------|-------|-------|----|

| Parameters                             | Company              | FY23      | FY24      | FY25      |
|--|----------------------|-----------|-----------|-----------|
| <b>Revenue from operations (INR M)</b> | Silver Pumps         | 4,164.83  | 8,789.27  | 15,863.83 |
|  | VST Tillers Tractors | 10,064.27 | 9,680.48  | 9,945.50  |
|  | Tirth Agro           | 17,672.10 | 16,846.80 | NA        |
|  | Fieldking            | 3,665.54  | 3,826.23  | NA        |
|  | KisanKraft           | 2,110.34  | 2,188.63  | NA        |
| <b>Gross profit (INR M)</b>            | Silver Pumps         | 1,300.40  | 2,541.83  | 4,389.85  |
|  | VST Tillers Tractors | 3,017.41  | 3,105.46  | 3,110.60  |
|  | Tirth Agro           | 6,327.90  | 6,111.90  | NA        |
|  | Fieldking            | 1,342.93  | 1,553.04  | NA        |
|  | KisanKraft           | 612.41    | 698.91    | NA        |
| <b>Gross Margin (%)</b>                | Silver Pumps         | 31.22%    | 28.92%    | 27.67%    |
|  | VST Tillers Tractors | 29.98%    | 32.08%    | 31.28%    |
|  | Tirth Agro           | 35.81%    | 36.28%    | NA        |
|  | Fieldking            | 36.64%    | 40.59%    | NA        |
|  | KisanKraft           | 29.02%    | 31.93%    | NA        |
| <b>EBITDA (INR M)</b>                  | Silver Pumps         | 467.14    | 881.67    | 1,615.11  |
|  | VST Tillers Tractors | 1,521.53  | 1,843.19  | 1,479.10  |
|  | Tirth Agro           | 2,216.70  | 1,505.40  | NA        |
|  | Fieldking            | 656.52    | 689.40    | NA        |
|  | KisanKraft           | 147.65    | 251.91    | NA        |
| <b>EBITDA (%)</b>                      | Silver Pumps         | 11.10%    | 9.87%     | 10.02%    |
|  | VST Tillers Tractors | 14.75%    | 17.92%    | 14.32%    |
|  | Tirth Agro           | 12.51%    | 8.89%     | NA        |
|  | Fieldking            | 17.38%    | 17.50%    | NA        |
|  | KisanKraft           | 6.98%     | 11.41%    | NA        |
| <b>PAT (INR M)</b>                     | Silver Pumps         | 197.13    | 282.39    | 476.94    |
|  | VST Tillers Tractors | 923.58    | 1,210.67  | 929.70    |
|  | Tirth Agro           | 1,182.10  | 607.50    | NA        |
|  | Fieldking            | 357.15    | 402.62    | NA        |
|  | KisanKraft           | -0.90     | 99.49     | NA        |
| <b>PAT (%)</b>                         | Silver Pumps         | 4.68%     | 3.16%     | 2.96%     |
|  | VST Tillers Tractors | 8.95%     | 11.77%    | 9.00%     |
|  | Tirth Agro           | 6.67%     | 3.59%     | NA        |
|  | Fieldking            | 9.45%     | 10.22%    | NA        |
|  | KisanKraft           | -0.04%    | 4.51%     | NA        |
| <b>ROE (%)</b>                         | Silver Pumps         | 25.30%    | 14.01%    | 10.15%    |
|  | VST Tillers Tractors | 11.74%    | 13.85%    | 9.66%     |
|  | Tirth Agro           | 21.32%    | 9.43%     | NA        |
|  | Fieldking            | 21.03%    | 19.37%    | NA        |
|  | KisanKraft           | -0.09%    | 9.83%     | NA        |
| <b>ROCE (%)</b>                        | Silver Pumps         | 19.40%    | 13.13%    | 11.69%    |
|  | VST Tillers Tractors | 15.91%    | 18.00%    | 12.72%    |

|                                   |                      |        |        |      |
|-----------------------------------|----------------------|--------|--------|------|
|                                   | Tirth Agro           | 21.32% | 12.23% | NA   |
|                                   | Fieldking            | 21.11% | 21.18% | NA   |
|                                   | KisanKraft           | 3.88%  | 12.41% | NA   |
| <b>Gross asset turnover ratio</b> | Silver Pumps         | 3.65   | 2.94   | 3.19 |
|                                   | VST Tillers Tractors | 2.70   | 2.50   | NA   |
|                                   | Tirth Agro           | 3.39   | 2.92   | NA   |
|                                   | Fieldking            | 1.87   | 1.93   | NA   |
|                                   | KisanKraft           | 2.36   | 2.24   | NA   |
| <b>Net working capital (Days)</b> | Silver Pumps         | 94     | 96     | 104  |
|                                   | VST Tillers Tractors | 38     | 56     | 72   |
|                                   | Tirth Agro           | 127    | 134    | NA   |
|                                   | Fieldking            | 107    | 187    | NA   |
|                                   | KisanKraft           | 101    | 106    | NA   |

| Parameters                                   | Company              | Category  | FY23    | FY24    | FY25   |
|--|----------------------|-----------|---------|---------|--------|
| <b>Revenue split by product category (%)</b> | Silver Pumps         | ECD       | 99.91%  | 98.83%  | 94.87% |
|  |                      | Agri      | 0.00%   | 1.05%   | 4.99%  |
|  | VST Tillers Tractors | ECD       | 0.00%   | 0.00%   | NA     |
|  |                      | Agri      | 100.00% | 100.00% | NA     |
|  | Tirth Agro           | ECD       | NA      | NA      | NA     |
|  |                      | Agri      | NA      | NA      | NA     |
|  | Fieldking            | ECD       | NA      | NA      | NA     |
|  |                      | Agri      | NA      | NA      | NA     |
| KisanKraft                                   | ECD                  | NA        | NA      | NA      |        |
|  | Agri                 | NA        | NA      | NA      |        |
| <b>Revenue split by Own brand / OEM (%)</b>  | Silver Pumps         | Own brand | 37.46%  | 69.85%  | 71.84% |
|  |                      | OEM       | 62.45%  | 30.03%  | 28.02% |
|  | VST Tillers Tractors | Own brand | NA      | NA      | NA     |
|  |                      | OEM       | NA      | NA      | NA     |
|  | Tirth Agro           | Own brand | NA      | NA      | NA     |
|  |                      | OEM       | NA      | NA      | NA     |
|  | Fieldking            | Own brand | NA      | NA      | NA     |
|  |                      | OEM       | NA      | NA      | NA     |
| KisanKraft                                   | Own brand            | NA        | NA      | NA      |        |
|  | OEM                  | NA        | NA      | NA      |        |

Silver's business consists of pumps & motors, ODM, consumer electronics and agri equipment, thus above-mentioned figure reflects consolidated business position than the segmental revenue.

For Silver revenue Split by Product categories includes revenue from sale of ECD and Agricultural equipment, however Revenue from Operations includes export incentive and other operating income for which product category split is not available

For Silver revenue Split by business model includes revenue from sale of products via own brands and OEM model, however Revenue from Operations includes export incentive and other operating income for which product category split is not available

Note(s):

1. Revenue from operations means revenue from sale of products & services and other operating income
2. Gross profit is calculated as Revenue from operations minus Cost of Materials Consumed and changes in inventory and purchases of stock-in-trade
3. Gross margin is calculated as Gross Profit divided Revenue from operations for the year

4. *EBITDA is calculated as the sum of (i) PAT for the year (ii) total tax expenses (iii) finance costs and (iv) depreciation and amortization expenses, and excluding exceptional items.*
5. *EBITDA margin is calculated as EBITDA divided by Total Income*
6. *PAT means profit after tax for the year*
7. *PAT margin is calculated as PAT divided by Total Income*
8. *Return on equity is calculated as PAT divided by Average Total Equity i.e., average of opening total equity at the beginning of a fiscal year and closing total equity at the end of the same fiscal year*
9. *Return on capital employed is calculated as earnings before interest and tax (EBIT) divided by Average Capital Employed. EBIT is calculated as the sum of (i) PAT, (ii) total tax expenses, (iii) exceptional items and (iv) finance costs. Average Capital Employed is calculated as average of opening Total Equity and Total Borrowings at the beginning of a fiscal year and closing Total Equity and Total Borrowings at the end of the same fiscal year*
10. *Gross Asset Turnover Ratio is calculated as Revenue from operations divided by closing gross block. Gross Block represents the total cost of all property plant and equipment*
11. *Net Working Capital Days is calculated as current trade receivable turnover days plus inventory (work-in-progress (WIP), raw material, finished goods) turnover days and subtracted by current trade payables turnover days*
12. *For KSB, the financials for the years CY22, CY23, CY24 have been taken as FY23, FY24, FY25 respectively*

Source: Company annual reports, IILattice analysis

### 6.3 Key threats and challenges

- **Increased competition:** Intense price competition arises from the growing number of players in both organized and unorganized sectors, leading to price wars and pressure on profit margins, while manufacturers face the challenge of maintaining quality and meeting price expectations
- **Rapid technological obsolescence:** Rapid technological advancements shorten product life cycles, creating pressure to innovate and manage inventory turnover efficiently.
- **Consumer demand volatility:** Unpredictable shifts in consumer preferences, economic uncertainties, and growing sustainability consciousness directly impact purchasing decisions, making it difficult for companies to accurately forecast demand, optimize inventory levels, and maintain consistent revenue streams, while also requiring rapid product adaptations to meet changing market expectations
- **Distribution challenges:** Managing multiple distribution channels, handling last-mile delivery issues, and navigating channel conflicts between online and offline sales further complicated operations
- **Supply chain vulnerabilities:** Reliance on global suppliers, outsourcing, combined with semiconductor shortages, can cause delays, price volatility, and inventory challenges. The rapid pace of technological advancements and the demand for innovative components further contribute to fluctuating raw material costs, making it difficult for manufacturers to predict and manage expenses effectively
- **Regulatory & compliance risks:** Stricter e-waste regulations and energy efficiency standards require manufacturers to manage disposal and meet compliance. Extended Producer Responsibility (EPR) schemes add to the challenge, while evolving environmental and data security laws increase operational complexity and costs
- **Government schemes and regulations for agricultural equipment:** Subsidies on farm machinery, such as tractors and harvesters, reduce costs for farmers, boosting sales for manufacturers. However, delays in subsidy disbursement, policy changes, and regional variations can create uncertainty for manufacturers and suppliers



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