

CERTIFICATE ON FINANCIAL INDEBTEDNESS

IIFL Capital Services Limited
(Formerly known as IIFL Securities Limited)
24th floor, One Lodha Place,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai 400 013,
Maharashtra, India

Axis Capital Limited
Axis House, 1st floor,
Pandurang Budhkar Marg,
Worli, Mumbai 400 025
Maharashtra, India

CLSA India Private Limited
8/F Dalamal House,
Nariman Point, Mumbai 400 021
Maharashtra, India

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Maharashtra, India

Nuvama Wealth Management Limited
801 - 804, Wing A,
Building No 3, Inspire BKC,
G Block Bandra Kurla Complex,
Bandra East Mumbai 400 051,
Maharashtra, India

The Board of Directors,
Oswal Pumps Limited
Oswal Estate, NH-1,
Kutail Road, PO Kutail,
Distt Karnal, Haryana - 132037

(IIFL Capital Services Limited (formerly known as IIFL Securities Limited), Axis Capital Limited, JM Financial Limited, CLSA India Private Limited and Nuvama Wealth Management Limited are collectively referred to as the “**Book Running Lead Managers**” or the “**BRLMs**”)

Re: Proposed initial public offering of equity shares of face value of ₹ 1 each (the “Equity Shares”) of Oswal Pumps Limited (the “Company” and such offering, the “Fresh Issue”) and an offer for sale of Equity Shares by certain existing shareholders of the Company (the “Offer for Sale”, and together with the Fresh Issue, the “Offer”)

We, Singhi & Co., Chartered Accountants, the Statutory Auditors of the Company, have been informed that the Company proposes to file the red herring prospectus (“**RHP**”) with the Registrar of Companies, Delhi and Haryana at Delhi, Securities and Exchange Board of India (the “**SEBI**”), BSE Limited and National Stock Exchange of India Limited (collectively, the “**Stock Exchanges**”) and the prospectus (“**Prospectus**”) in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”).

We, Singhi & Co., Chartered Accountants, the statutory auditors to the Company have been requested to certify financial indebtedness of the Company and its subsidiaries as on April 30, 2025.

Management Responsibility

The management of the Company is responsible for preparation and maintenance of appropriate accounting, other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

The management is also responsible for ensuring that the Company complies with the requirements of the Companies Act, 2013 (the “**Companies Act**”); the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (the “**ICDR Regulations**”) and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI, amended from time to time (the “**Guidance Note**”) and other relevant banking regulations in connection with the proposed Offer.

Auditors Responsibility

Pursuant to the requirements of SEBI ICDR Regulations, it is our responsibility to obtain reasonable assurance and verify as to whether the details provided in this certificate are in agreement with the restated consolidated financial information of the Company as at and for nine months period ended December 31, 2024 and the financial years ended March 31, 2024, March 31, 2023, March 31, 2022 and our examination report dated May 26, 2025 thereon (the “**Restated Consolidated Financial Information**”), books of accounts and other records such as agreements, secretarial records, other statutory records maintained by the Company and other documents presented to us.



We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

The Restated Consolidated Financial Information has been derived from the special purpose consolidated interim financial statements as at and for the nine months period ended December 31, 2024 and audited consolidated financial statements as at and for the financial year ended March 31, 2024, and from the special purpose audited consolidated financial statements as at and for the financial years ended March 31, 2023 and March 31, 2022 and restated in accordance with the requirements of Section 26 of Part 1 of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the Institute of Chartered Accountants of India ("ICAI").

We have carried out the following procedures for verification of the financial information as agreed with you and enumerated below. The procedures were performed solely to assist you in matters related to above and summarized as follows:

- a. We have reviewed the restated consolidated financial statements of the Company as at and for nine months period ended December 31, 2024 and the financial years ended March 31, 2022, March 31, 2023 and March 31, 2024 (together, the "Restated Consolidated Financial Information") and examination report dated May 26, 2025 by statutory auditor on Restated Consolidated Financial Information, as provided by the management;
- b. documents pertaining to the financial indebtedness of the Company, including, *inter alia*, sanction letters issued by the banks/ financial institutions, loan agreements, deeds of hypothecation, memoranda of deposit, other letters and correspondence between the lenders and the Company;
- c. documents pertaining to balance confirmations received from relevant lenders, for the purpose of issuing this certificate;
- d. We have reviewed books of accounts, trial balance as on April 30, 2025, bank statements, ledgers, registers and records maintained by the Company, the minutes of the meetings of the board of directors of the Company, the minutes of the meetings of the shareholders of the Company, and the statutory filings and forms filed with the Registrar of Companies, Delhi and Haryana at Delhi, in relation to issuance of this certificate, as provided by the management.

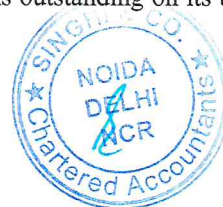
Conclusion

Based on procedures adopted by us, as mentioned above, we certify that the following information are in agreement with books of accounts and other records made available to us by the Company and that:

- 1) The summary of the borrowings sanctioned to the Company and Oswal Solar Structure Private Limited ("a subsidiary") and outstanding, as on April 30, 2024 is stated in **Annexure A**.
- 2) The principal terms of the borrowings and assets charged as security by the Company and a subsidiary are stated in **Annexure B**.
- 3) Except as stated in **Annexure C**, the Company and a subsidiary have not provided any guarantees for the repayment of any loans availed by other entities.
- 4) The Company and a subsidiary have taken loan from a Promoter and Director of the Company, however, outstanding balance as on April 30, 2025 is Nil.
- 5) Oswal Green Industries Private Limited does not have any borrowings outstanding as on April 30, 2025.

We also confirm that –

- a) As on the date of this letter, none of the banks or institutions from whom the Company have availed of debt facilities, have accelerated payment of the facility in full or in part on account of default in the repayment in any instalment or interest due or for violation of any other terms of any of the outstanding loans/ debt facilities granted to the Company.
- b) The Company has not defaulted, at any point of time, in repayment of any loan/ facility or interest thereon till the date of this certificate including any of the loans outstanding on its balance sheet as on April 30, 2025;
- c) The Company has not delayed in repayment of interest due for the loans outstanding on its balance sheet as on April 30, 2025 including any delay in payment;



We confirm that the loan facilities as mentioned in **Annexure A** are being utilised for the purpose for which they were raised.

We confirm that there are no unsecured loans which have been recalled by lenders at any time.

Other Matters

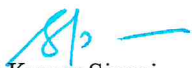
This certificate is issued for the sole purpose of the Offer, and can be used, in full or part, for inclusion in the red herring prospectus, prospectus and any other material used in connection with the Offer, and for the submission of this certificate by the Company or BRLMs, as may be necessary, to any regulatory / statutory authority, stock exchanges including the repository system of SEBI and/or Stock Exchanges, any other authority as may be required and/or for the records to be maintained by the BRLMs in connection with the Offer and in accordance with applicable law.

This certificate may be relied on by the BRLMs, their affiliates and legal counsel appointed in relation to the Offer. Accordingly, we consent to this certificate and its contents (in whole or in part) being presented and/or utilized in connection with the Offer and should not be used by any other person or for any other purpose. Singhi & Co. neither accepts nor assumes any duty or liability for any other purpose or to any third party to whom our certificate is shown or into whose hands it may come without our prior consent in writing.

We undertake to update you in writing of any changes in the abovementioned position, immediately upon us becoming aware, until the date the Equity Shares issued pursuant to the Offer commence trading on the stock exchanges. In the absence of any communication from us till the Equity Shares commence trading on the stock exchanges, you may assume that there is no change in respect of the matters covered in this certificate.

All capitalized terms used but not defined herein shall have the meaning assigned to them in the Offer Documents.

For Singhi & Co.,
Chartered Accountants
Firm Registration Number: 302049E


Bimal Kumar Sipani
(Partner)
Membership Number: 088926
UDIN: 25088926BMJHGH3670



Place : Noida (Delhi – NCR)

Date : June 07, 2025

Copy To:

Legal counsel to the Book Running Lead Managers, as to Indian laws

J. Sagar Associates

One Lodha Place, 27th Floor, Senapati Bapat Marg,
Lower Parel, Mumbai 400 013
Maharashtra, India

Legal counsel to the Company as to Indian laws

S&R Associates

Max House, Tower C, 4th Floor,
Okhla Industrial Estate, Phase III
New Delhi 110020, India

Legal counsel to the Book Running Lead Managers, as to International laws

Hogan Lovells Lee & Lee

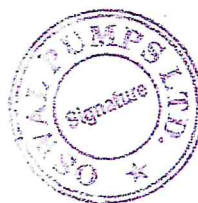
50 Collyer Quay
#10-01 OUE Bayfront
Singapore 049321

ANNEXURE A

Category	Sanctioned Amount (₹ in million)	Amount (₹ in million) as of April 30, 2025
Borrowings -		
Secured Loan		
(i) Fund based facilities		
Cash credit facilities (including packing credit) \$	3891.69	3438.06
Term loan	185.10	139.24
(ii) Non-fund-based facilities (Interchangeable)*	1503.31	929.99
Bank guarantees and letters of credit		
Total secured borrowings (i+ii)	5580.10	4507.29
Other facilities (disclosed as financial liabilities)		
Bill Discounting from banks and financial institutions	4000.00	1782.70
CEL (Hedging instruments i.e. forward contracts etc.)	15.00	NIL

\$ Include interest accrued for the period ended April 30, 2025, amounting to ₹ 6.11 million.

*Non-fund-based facilities includes outstanding amounting to ₹ 7.50 million related to bank guarantee which were against fixed deposit without sanction by the bank.



ANNEXURE B

Principal terms of the borrowings availed by the Company and a Subsidiary are disclosed below:

1. **Interest:** The interest rate applicable to the Company and Subsidiary' borrowing facilities is typically tied to the respective lender's lending rate prevailing at the time, linked to the repo rate/ external benchmark lending rate/ marginal cost of fund based lending rate, which may vary for each facility. The interest rate applicable to the borrowings availed by our Company and a subsidiary as on April 30, 2025, ranges from 5.60% per annum (after considering 2% interest subvention in case of packing credit facility) to 10.15 % per annum.
2. **Tenor:** The tenor of the term loan facilities availed by our Company and our Subsidiary' typically ranges from 12 months to 120 months from the date of disbursement. the Company and a subsidiary have also availed certain working capital facilities that may be repayable on demand. These working capital facilities generally have a tenor of one year and may be rolled over within the period specified in the respective facility documents.

3. **Security:**

In case of cash credit facilities –

- (i) various cash credit facilities from banks availed by the Company are secured against first charge over entire current assets, both present and future and pari passu charge over the entire property, plant and equipment, both present and future located at plants of the Company and various other properties of promoters and directors and erstwhile director i.e. Padam Sain Gupta. Further, facilities are secured by personal guarantees of directors namely Vivek Gupta, Amulya Gupta and Shivam Gupta, one erstwhile director Padam Sain Gupta and corporate guarantee by Shorya Trading Company Private Limited ("Holding Company").
- (ii) Cash credit facilities from a bank availed by subsidiary company is secured against first charge over entire current assets, both present and future and pari passu charge over the entire property, plant and equipment, both present and future located at plants of the subsidiary company and a property of promoter and director. Further, facilities are secured by personal guarantees of directors namely Vivek Gupta, Amulya Gupta and Shivam Gupta and corporate guarantee by Oswal Pumps Limited.

In case of term loans –

- (i) Term loan from a bank by the Company is secured by pari passu charge by way of hypothecation of the respective plant, machinery, equipment, tools, spares accessories and all the other assets which have been acquired under the scheme and located at plant of the Company. Further, term loan is secured by pledge of fixed deposit of ₹ 7.5 millions with the Bank. Further, loan is secured by personal guarantees of directors namely Vivek Gupta and Amulya Gupta and one erstwhile director Padam Sain Gupta and corporate guarantee by Shorya Trading Company Private Limited ("Holding Company") and a promoter company i.e. ESS AAR Corporate Services Private Limited.
 - (ii) Term loan from a bank by the subsidiary company is secured by way of hypothecation of present and future stocks, receivable and other current assets and respective plant, machinery, equipment, tools, spares accessories and all the other assets which have been acquired under the scheme and located at the works of subsidiary company. Further, facilities are secured by personal guarantees of directors namely Vivek Gupta, Amulya Gupta and Shivam Gupta and corporate guarantee by Oswal Pumps Limited.
4. **Pre-payment and premature redemption:** Facilities availed by Company and a subsidiary typically have pre-payment provisions which allow for pre-payment of the outstanding loan amount, by serving a prior written notice to the relevant lender or on receiving prior approval from the relevant lender. There is no pre-payment penalties except 3.00% of the amount proposed to be pre-paid as penalty in case of a term loan availed by the Company which is as set out in the facility agreements.
5. **Events of default:** The financing arrangements entered into by the Company or Subsidiary contain standard events of default including, among others:

- (i) default in repayment of principal, payment of interest and performance of mandatory covenants, negative covenants and conditions of financial assistance;



- (ii) respective plant, machinery, equipment, tools, spares accessories and all the other assets which have been acquired under the scheme and located at plants of the Company;
- (iii) providing incorrect or misleading information and representations;
- (iv) cessation or change in business or control of Company and/ or Subsidiaries;
- (v) initiation of proceedings against our Company;
- (vi) occurrence of cross-default;
- (vii) failure and/ or breach by our Company or our Subsidiary to perform any of their obligations or terms or conditions, covenants, warranties, undertakings, among others, under the relevant agreement(s); and
- (viii) liquidation or dissolution of our Company and/ or Subsidiary.

6. *Consequences of occurrence of events of defaults:*

The following are the consequences of occurrence of events of default in relation to the borrowings of our Company and/ or Subsidiary, whereby the lenders may, among others:

- (i) enter upon and take possession of the assets;
- (ii) levy penalty till the position is restore;
- (iii) suspend or terminate all undrawn commitments and enforce the security against;
- (iv) exercise powers to recall the advance and take recovery action;
- (v) transfer the assets by way of lease or leave and licence or sale;
- (vi) appoint and remove from time to time director(s) from our Board; and
- (vii) take any action as per the loan/ security documents or/ and any applicable law.

7. **Penalty:** (i) in case of irregularity in CC account, 5% per annum on the irregular portion for the period of irregularity (ii) 0.05% of sanctioned limit for the period of default for Non-submission of stock statements in defined period as per sanction letter. (iii) a penalty of 2% per annum over applicable CC rate where exports do not materialised in case of EPC advance (iv) a penalty of 2% additional interest will be imposed, in addition to the existing stipulated maximum penalty of 5% on breach of all terms of sanction including covenants till the position is restored by bringing back the diverted money (v) penalties ranging 0.02% to 1% for other various non compliances. However, total penal interest charged on a borrower due to various non-compliances will not exceed 5% per annum.

8. **Restrictive covenants:** Certain borrowing arrangements entered into by Company and/ or Subsidiary contain restrictive covenants, including covenants restricting certain actions except with the prior approval of the lender. An indicative list of such restrictive covenants is disclosed below.

- (i) issuance of fresh equity shares by the Company (including pursuant to the pre-IPO placement) and/ or an offer for sale of equity shares by certain existing shareholders of the Company;
- (ii) transfer of equity shares in the offer for sale by one or more shareholders of the Company;
- (iii) effecting any change in ownership, control or management;
- (iv) Promoters share in the Company / subsidiary company should not be pledged to any bank / NBFC / Institutions without prior consent;
- (v) effecting any change of Company's and/ or Subsidiary's capital structure or shareholding pattern;
- (vi) amendments to the memorandum and articles of association of the Company and/ or Subsidiary;
- (vii) enter into any scheme of amalgamation or reconstruction;
- (viii) making any pre-payment of principal amounts due under the facilities;
- (ix) effecting any change in relation to remuneration of Directors by means of, among others, ordinary remuneration or commission, scale of sitting fees, except where mandated by any legal or regulatory provisions.

The details provided above, in relation to the principal terms of borrowings are indicative and there may be additional terms, conditions and requirements under the specific borrowing arrangements entered into by us. The details on interest rates, tenors, pre-payment penalties, penalties set out above are in relation to the borrowings availed by Company and subsidiary are as of April 30, 2025.



ANNEXURE C

Particular	Bank Name	Amount (₹ in million) as of April 30, 2025
Corporate Guarantee Provided by Oswal Pumps Limited for Oswal Solar Structure Private Limited	SBI Bank Limited	375.40
Corporate Guarantee Provided by Oswal Pumps Limited for Oswal Solar Structure Private Limited	Yes Bank Limited	350.00
	Total	725.40

Dr. G. S. D.

