

GK Energy Ltd.

Nifty: 25,424 | Sensex: 83,014

IPO Note | 19th September, 2025

Sector: Capital goods

Price Range: ₹145 - ₹153

Expanding in Solar and Water Infrastructure...

GK Energy Ltd. (GEL) is India’s leading pure-play engineering, procurement and commissioning (EPC) provider for solar-powered agricultural water pump systems. The company offers end-to-end solutions, covering survey, design, supply, installation, commissioning, and maintenance. GEL also undertakes rooftop solar and water infrastructure projects under the Jal Jeevan Mission and supplies solar products to government agencies.

- ◆ The domestic market for solar-powered pump systems grew at a CAGR of 15%, rising from ₹19.3 billion in FY19 to around ₹39 billion in FY24, and is projected to reach ₹300–320 billion by FY29 (Source: CRISIL Report).
- ◆ GEL’s revenue, EBITDA, and PAT grew at a CAGR of 96%, 240.9%, and 263.5% respectively between FY23 and FY25, reaching ₹1,094.8cr, ₹199.7cr, and ₹133.2cr, supported by government-backed solar projects, efficient execution, and geographic expansion.
- ◆ The company delivered an EBITDA margin of 18% in FY25 v/s 6% in FY23, while its PAT margin rose to 12% from 3.5% over the same period. This strong financial performance led to a strong ROE of 63.7%
- ◆ As of August 15, 2025, GEL’s order book stood at ₹1,029cr, comprising ₹1,008.9cr for solar-powered agricultural water pump systems (SPPS) and ₹20.1cr for rooftop solar projects. The order book to sales ratio of GE Energy is 0.93x.
- ◆ GK Energy is empanelled under the PM-KUSUM scheme in Maharashtra, Rajasthan, Haryana, Uttar Pradesh, and Madhya Pradesh, which contributed 44%, 13%, 16%, 8%, and 5% of the total project sanctions.
- ◆ At the upper price band of ₹153, GEL’s FY25 P/E ratio of 23.3x appears fairly priced compared to peers. GK Energy operates an asset-light, scalable EPC model, enabling rapid expansion without heavy capital investment. Its leadership in solar pump installations under the PM-KUSUM scheme, combined with expansion into rooftop solar and water infrastructure projects, positions it well to benefit from India’s renewable energy push. With strong execution capabilities and government-backed demand, GK Energy is poised for sustained growth. Therefore, we recommend a SUBSCRIBE rating for investors with a medium- to long-term horizon.

Purpose of IPO

The issue comprises a fresh issue of up to 26,143,790 equity shares totalling ₹400 cr and an OFS of up to 4,200,000 shares totalling ₹64.26 cr. The objectives of the issue are i) funding of the working capital requirements of the company (₹322.46 cr) and ii) general corporate purposes.

Key Risks

- ◆ Any reduction in demand for EPC services for solar-powered agricultural water pump systems could materially impact business operations and financial results.
- ◆ Inability to recover trade receivables could impact the company's business operations.
- ◆ Negative operating cash flow driven by rising receivables and growing market competition.

Peer Valuation

| Company | CMP(₹) | MCap(₹ cr) | Sales (₹ cr) | EBITDA(%) | PAT (%) | EPS(₹) | RoE (%) | P/E(x) | EV/EBITDA | P/BV | Mcap/sales | Order book/sales |
|-------------------------|--------|------------|--------------|-----------|---------|--------|---------|--------|-----------|------|------------|------------------|
| GK Energy | 153 | 3,103 | 1,095 | 18.24 | 12.2 | 6.6 | 63.7 | 23.30 | 16.6 | 14.8 | 2.8 | 0.93 |
| Oswal Pumps Ltd | 784 | 8,935 | 1,430 | 29.4 | 19.6 | 28.2 | 87.5 | 27.8 | - | 16.9 | 6.2 | 0.55 |
| Shakti Pump (India) Ltd | 887 | 10,944 | 2,479 | 24.3 | 16.5 | 34 | 42.6 | 26.1 | 19.5 | 9.2 | 4.4 | 0.54 |

Source: Geojit Research, Bloomberg; Valuations of GEL are based on upper end of the price band (post issue), Financials as per FY25 consolidated.

| Issue Details | |
|--|--------------------|
| Date of opening | September 19, 2025 |
| Date of closing | September 23, 2025 |
| Total No. of shares offered (cr.) | 3.03 |
| Post Issue No. of shares (cr) | 20.3 |
| Face Value | ₹2 |
| Bid Lot | 98 Shares |
| Minimum application for retail (upper price band for 1 lot) | ₹ 14,994 |
| Maximum application for retail (upper price band for 13 lot) | ₹ 1,94,922 |
| Listing | BSE,NSE |
| Employee Discount | - |

| | |
|---------------|--|
| Lead Managers | IIFL Capital Services Limited, HDFC Bank Limited |
|---------------|--|

| | |
|-----------|-----------------------------------|
| Registrar | MUFG Intime India Private Limited |
|-----------|-----------------------------------|

| Issue size (upper price) | Rs.cr |
|--------------------------|--------|
| Fresh Issue | 400 |
| OFS | 64.26 |
| Total Issue | 464.26 |

| Shareholding (%) | Pre-Issue | Post Issue |
|--------------------------|-----------|------------|
| Promoter & Promo. Group. | 93.30 | 79.20 |
| Public & others | 6.70 | 20.80 |
| Total | 100.0 | 100.00 |

| Issue structure | Allocation (%) | Size Rs.cr |
|-------------------|----------------|------------|
| Retail | 35 | 162.49 |
| Non-Institutional | 15 | 69.64 |
| QIB | 50 | 232.13 |
| Emp. Reservation | - | - |
| Total | 100 | 464.26 |

| Y.E March (Rs cr) Consol. | FY23 | FY24 | FY25 |
|---------------------------|-------|-------|---------|
| Sales | 285 | 411.1 | 1,094.8 |
| Growth YoY(%) | - | 44.2 | 166.3 |
| EBITDA | 17.2 | 53.8 | 199.7 |
| Margin(%) | 6.0 | 13.1 | 18.2 |
| PAT Adj. | 10.1 | 36.1 | 133.2 |
| Growth (%) | - | 258 | 269.1 |
| EPS | 0.5 | 1.8 | 6.6 |
| P/E (x) | 307.8 | 86 | 23.3 |
| EV/EBITDA (x) | 183.1 | 58.8 | 16.6 |
| P/BV(x) | 156.2 | 55.5 | 14.8 |



Business Description:

GK Energy Ltd. (GEL) is India’s largest pure play provider of engineering, procurement and commissioning (“EPC”) services for solar-powered agricultural water pump systems (which are also referred to as solar-powered pump systems) under Component B of the Central Government’s Pradhan Mantri Kisan Urja Suraksha evam Utthan Mahabhiyan scheme (the “PM-KUSUM Scheme”). It offers farmers an end-to-end single source solution for the survey, design, supply, assembly and installation, testing, commissioning and maintenance of solar-powered pump systems. It has been empaneled as a vendor under the Ministry of New and Renewable Energy for the PM-KUSUM Scheme in the states of Maharashtra, Haryana, Rajasthan, Uttar Pradesh and Madhya Pradesh. Additionally, the central government is also working on plans to launch PM KUSUM 2.0, in response to rising demand of solar pumps. The scheme targets 34,800 MW of solar capacity by March 2026, creating a huge pipeline of projects for EPC (Engineering, Procurement, and Construction) companies.

The company offer other EPC services, comprising (i) the erection and installation of water storage and distribution facilities under Jal Jeevan Mission, a Central Government scheme operated through urban local bodies, (ii) the supply and installation of various solar products for government agencies and (iii) rooftop solar solutions (together, “Other EPC Services”). In addition, the company sell photovoltaic (“PV”) cells and solar modules manufactured by third parties and other miscellaneous products (“Trading Activities”).

As at August 15, 2025, the company had an Order Book of ₹10,289.64 million consisting of an SPPS Order Book of ₹10,088.81 million and orders for rooftop solar systems of ₹200.83 million. Before entering into providing EPC services for solar-powered pump systems, GK had been providing EPC services for rooftop solar-powered solutions, solar fencing, solar water heaters and solar-powered street lights.

Gk energy currently operate an asset-light business model. The company source solar panels, pumps and various other components of solar-powered pump systems under the “GK Energy” brand from different specialised vendors. As at August 30, 2025, GEL rented, leased and/or licensed 12 warehouses located in three states. The company had 90 employees as at March 31, 2025. GEL conducted EPC projects by engaging third-party installation and commissioning service providers. As at March 31, 2025, GEL’s third-party installation and commissioning service providers comprised 709 workmen, which enables us to operate across broad geographic areas in five states and soon six states.

he PM-KUSUM Scheme reflects the Central Government’s commitment to provide energy and water security to farmers through the installation of solar-powered water pump systems for irrigation as an alternative to diesel-powered or electric grid-connected pump systems (source: CRISIL Report). The price of solar-powered pump systems is set through government tendering pursuant to a bidding process by empaneled vendors (with the lowest bid becoming the price all empaneled vendors must accept), with different prices depending on the size of the pump (source: CRISIL Report). Each state has its own tendering process, so the prices for the EPC of solar-powered pump systems may differ from state to state (source: CRISIL Report). As at July 31, 2025, 1,272,758 solar-powered pump systems had been approved under Component B of the PM-KUSUM Scheme, and as at that date empaneled providers had completed 848,330 of those orders (source: CRISIL Report). GEL completed 62,559, or 7.37%, of those 848,330 orders. Apart from the PM-KUSUM Scheme, as at July 31, 2025, it has installed 34,539 other solar-powered pump systems.

The table below sets out the state-wise number of solar-powered pump systems installed and the revenue from the installation of those pump systems for the fiscal years and period indicated.

| Particulars | Year ended March 31, | | | | | |
|-------------------------------|---|--|--|--|--|--|
| | 2025 (consolidated) | | 2024 (standalone) | | 2023 (standalone) | |
| | Number of solar-powered pump systems installed (consolidated) | Revenue from solar-powered pump systems (₹ in million) | Number of solar-powered pump systems installed | Revenue from solar-powered pump systems (₹ in million) | Number of solar-powered pump systems installed | Revenue from solar-powered pump systems (₹ in million) |
| Maharashtra | 43,310 | 10,126.06 | 12,861 | 2,561.60 | 7,357 | 1,546.91 |
| Haryana | 841 | 352.50 | 3,038 | 1,024.34 | 2,545 | 819.31 |
| Uttar Pradesh | 518 | 118.94 | - | - | - | - |
| Rajasthan | 875 | 276.13 | 389 | 156.24 | - | - |
| Punjab | - | - | 5 | 1.50 | 885 | 214.71 |
| Madhya Pradesh ⁽¹⁾ | - | - | - | - | - | - |
| Total | 45,544 | 10,873.63 | 16,293 | 3,743.68 | 10,787 | 2,580.93 |

Source: RHP, Geojit Research

Key strengths:

- ◆ The leading pure play provider of the EPC of solar-powered pump systems in Maharashtra under the PM-KUSUM Scheme
- ◆ Robust Order Book and a growing addressable market for solar-powered pump systems
- ◆ Decentralised infrastructure and localised workforce enable to operate across broad geographic areas in five states
- ◆ Track record of profitable financial performance and rapidly increasing growth
- ◆ Well-positioned to seize opportunities in the rooftop solar market

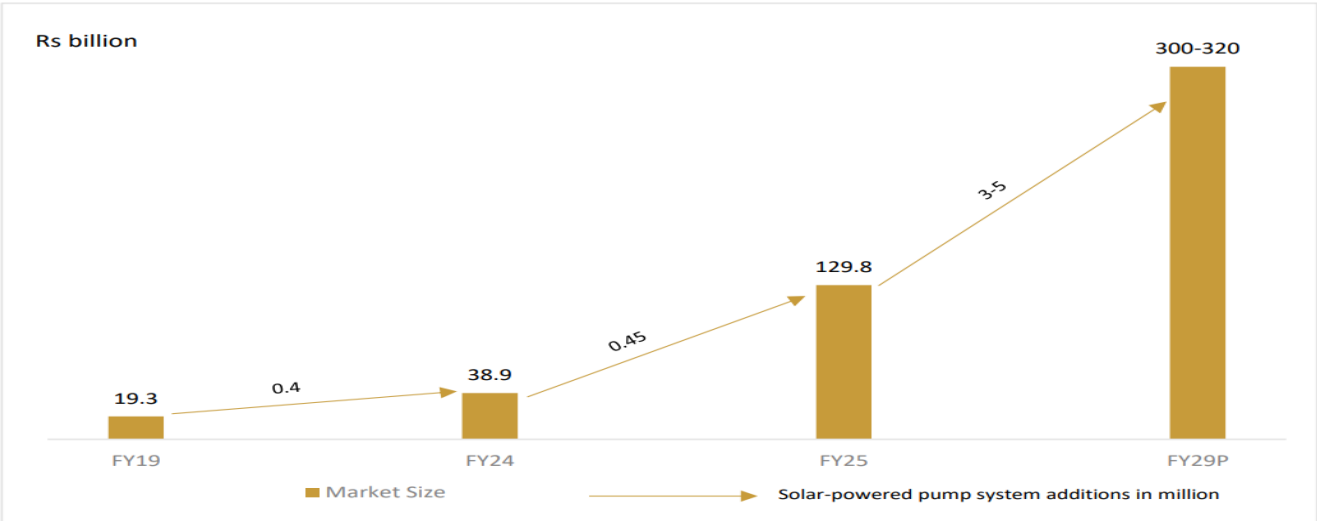
Key strategies:

- ◆ Diversify sources of revenue by installing rooftop solar systems
- ◆ Backward integrate by manufacturing own solar panels.
- ◆ Development of a dedicated vendor ecosystem for various components of solar-powered pump and rooftop systems through organic and inorganic means
- ◆ Exploring other solar market opportunities

Industry Outlook

The market size of the domestic solar-powered pump systems increased at a compound annual growth rate (“CAGR”) of 15% from ₹19.3 billion in Fiscal 2019 to approximately ₹39 billion in Fiscal 2024 and is forecast to reach ₹300-320 billion by Fiscal 2029, witnessing a significant CAGR of 52% between Fiscals 2024 and 2029. Close to 84% of the additions are expected to be under the PM-KUSUM Scheme components B and C.

Figure 7: Indian solar-powered pump systems market to grow ~8 times between Fiscals 2024 and 2029



Source: RHP, Geojit Research

Promoter and promoter group

The Promoters of the company are Gopal Rajaram Kabra and Mehul Ajit Shah

Brief Biographies of directors

- **Gopal Rajaram Kabra** is the Chairman, Managing Director and Chief Executive Officer on the Board of the Company. He has over 18 years of experience in the solar power industry
- **Mehul Ajit Shah** is the Whole-time Director and Chief Operating Officer on the Board of the Company. He has over 14 years of experience in the solar power industry
- **Navaniit Mandhaani** is a Non-Executive Director on the Board of the Company. He has over 18 years of experience in the education sector.
- **Chandra Iyengar** is an Independent Director on the Board of the Company.
- **Susheel Bhandari** is an Independent Director on the Board of the Company. He has over 10 years of experience in the education sector.
- **Pooja Pawan Chandak** is an Independent Director on the Board of the Company. She has over 17 years of experience in the finance sector.

CONSOLIDATED FINANCIALS

PROFIT & LOSS

| Y.E March (Rs cr) | FY23 | FY24 | FY25 |
|--------------------------------------|--------------|--------------|----------------|
| Sales | 285.0 | 411.1 | 1,094.8 |
| % change | 0.0% | 44.2% | 166.3% |
| EBITDA | 17.2 | 53.8 | 199.7 |
| % change | - | 213.3% | 271.0% |
| Depreciation | 0.5 | 0.7 | 1.4 |
| EBIT | 16.7 | 53.2 | 198.3 |
| Interest | 3.7 | 6.1 | 22.3 |
| Other Income | 0.4 | 1.2 | 4.3 |
| Exceptional items | 0.0 | 0.0 | 0.0 |
| PBT | 13.5 | 48.3 | 180.3 |
| % change | - | 258.4% | 273.4% |
| Tax | 3.4 | 12.2 | 47.1 |
| Tax Rate (%) | 25% | 25% | 26% |
| Reported PAT | 10.1 | 36.1 | 133.2 |
| Adj | 0.0 | 0.0 | 0.0 |
| Adj. PAT | 10.1 | 36.1 | 133.2 |
| % change | - | 258.0% | 269.1% |
| Post issue No. of shares (cr) | 20.3 | 20.3 | 20.3 |
| Adj EPS (Rs) | 0.5 | 1.8 | 6.6 |
| % change | 0.0% | 258.0% | 269.1% |

CASH FLOW

| Y.E March (Rs cr) | FY23 | FY24 | FY25 |
|-------------------------------------|--------------|-------------|--------------|
| PBT Adj. | 13.5 | 48.3 | 180.3 |
| <i>Non-operating & non cash</i> | 3.8 | 6.1 | 20.7 |
| Changes in W.C | -28.8 | -53.3 | -249.6 |
| C.F. Operating | -14.9 | -4.9 | -98.6 |
| Capital expenditure | -0.2 | -5.4 | -4.7 |
| Change in investment | 0.0 | 0.0 | 0.0 |
| Sale of investment | -0.6 | -5.5 | -52.7 |
| Other invest.CF | 0.4 | 1.2 | 4.3 |
| C.F - investing | -0.3 | -9.7 | -53.0 |
| Issue of equity | 0.7 | 0.0 | 19.9 |
| Issue/repay debt | 18.2 | 15.1 | 155.5 |
| Dividends paid | 0.0 | 0.2 | 0.0 |
| Other finance.CF | -3.7 | -6.1 | -22.3 |
| C.F - Financing | 15.4 | 14.6 | 152.1 |
| Change. in cash | 0.2 | 0.0 | 0.5 |
| Opening Cash | 0.5 | 0.7 | 0.7 |
| Closing cash | 0.7 | 0.7 | 1.2 |

BALANCE SHEET

| Y.E March (Rs cr) | FY23 | FY24 | FY25 |
|----------------------------|--------------|--------------|--------------|
| Cash | 4.2 | 9.7 | 62.8 |
| <i>Accounts Receivable</i> | 112.6 | 151.9 | 360.9 |
| Inventories | 11.9 | 19.8 | 59.9 |
| <i>Other Cur. Assets</i> | 3.9 | 11.7 | 71.5 |
| Investments | 0.0 | 0.0 | 0.0 |
| Deff. Tax Assets | 0.0 | 0.0 | 0.0 |
| Net Fixed Assets | 6.0 | 10.5 | 13.1 |
| CWIP | 0.0 | 0.0 | 0.0 |
| Intangible Assets | 0.0 | 0.2 | 0.9 |
| Other Assets | 3.9 | 10.2 | 14.6 |
| Total Assets | 142.5 | 214.0 | 583.6 |
| Current Liabilities | 78.4 | 77.1 | 120.5 |
| Provisions | 0.9 | 7.5 | 4.2 |
| Debt Funds | 42.6 | 62.5 | 217.9 |
| Other Fin. Liabilities | 0.1 | 9.1 | 31.4 |
| Deferred Tax liability | 0.0 | 0.0 | 0.0 |
| Equity Capital | 1.3 | 1.3 | 34.0 |
| Reserves & Surplus | 18.6 | 54.7 | 175.1 |
| Shareholder's Fund | 19.9 | 56.0 | 209.1 |
| Total Liabilities | 141.9 | 212.2 | 583.2 |
| BVPS (Rs) | 1.0 | 2.8 | 10.3 |

RATIOS

| Y.E March | FY23 | FY24 | FY25 |
|-------------------------------|-------|-------|-------|
| Profitab. & Return | | | |
| <i>EBITDA margin (%)</i> | 6.03 | 13.09 | 18.24 |
| <i>EBIT margin (%)</i> | 5.9 | 12.9 | 18.1 |
| <i>Net profit mgn.(%)</i> | 3.5 | 8.8 | 12.2 |
| <i>ROE (%)</i> | 50.7 | 64.5 | 63.7 |
| <i>ROCE (%)</i> | 41.0 | 44.9 | 54.9 |
| W.C & Liquidity | | | |
| <i>Receivables (days)</i> | 144.2 | 117.4 | 85.5 |
| <i>Inventory (days)</i> | 17.0 | 18.6 | 20.7 |
| <i>Payables (days)</i> | 98.6 | 59.2 | 39.1 |
| <i>Current ratio (x)</i> | 1.7 | 2.3 | 4.5 |
| <i>Quick ratio (x)</i> | 1.5 | 2.1 | 3.5 |
| Turnover & Levq. | | | |
| <i>Net asset T.O (x)</i> | 47.7 | 49.8 | 92.7 |
| <i>Total asset T.O (x)</i> | 2.0 | 2.3 | 2.7 |
| <i>Int. covge. ratio (x)</i> | 4.6 | 8.7 | 8.9 |
| <i>Adj. debt/equity (x)</i> | 2.1 | 1.1 | 1.0 |
| Valuation ratios | | | |
| <i>EV/Sales (x)</i> | 11.0 | 7.7 | 3.0 |
| <i>EV/EBITDA (x)</i> | 183.1 | 58.8 | 16.6 |
| <i>P/E (x)</i> | 307.8 | 86.0 | 23.3 |
| <i>P/BV (x)</i> | 156.2 | 55.5 | 14.8 |



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