GK ENERGY LIMITED

September 18, 2025

SMC Ranking

★★☆☆☆ (2/5)

Issue Highlights

Industry	**EPC**
Offer for sale (Shares)	4,200,000
Fresh Issue (Shares)	26,143,790
Net Offer to the Public	**30,343,790**
Issue Size (Rs. Cr.)	439.98-464.26
Price Band (Rs.)	145-153
Offer Date	19-Sep-25
Close Date	23-Sep-25
Face Value	2
Lot Size	98 Shares

Issue Composition

	In shares
Total Issue for Sale	30,343,790
QIB	15,171,895
NIB	4,551,569
Retail	10,620,327

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	93.29%	79.20%
QIB	6.71%	13.32%
NIB	0.00%	2.24%
Retail	0.00%	5.24%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

The Company GK Energy IPO proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Funding long term working capital requirements
2. General corporate purposes

Book Running Lead Manager

- IIFL Capital Services Limited (formerly known as IIFL Securities Limited)
- HDFC Bank Limited

Name of the registrar

- MUFG Intime India Private Limited (formerly Link Intime India Private Limited)

About the company

Incorporated in 2008, GK Energy Limited provides engineering, procurement and commissioning ("EPC") services for solar-powered agricultural water pump systems under Component B of the Central Government's Pradhan Mantri Kisan Urja Suraksha Evam Utthan Mahabhiyan scheme (the "PM-KUSUM Scheme") as measured by the number of solar-powered pump systems installed under the PMKUSUM Scheme in the period from January 1, 2022 to July 31, 2025. The company offer 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. GK Energy currently operate an asset-light business model. The company sources solar panels, pumps and various other components of solar-powered pump systems under the "GK Energy" brand from different specialised vendors. As of November 30, 2024, The company has 12 warehouses in three states as at August 30, 2025, and a localised workforce of 90 employees and 709 workmen as at March 31, 2025, which enable us to efficiently operate across broad geographic areas in five states.

Strength

Leading Pure Play EPC Provider of Solar-Powered Pump Systems in Maharashtra under PM-KUSUM: GK Energy is a leading pure-play EPC provider, holding nearly 15% market share as of December 3, 2024. Maharashtra, the largest beneficiary of the PM-KUSUM scheme, accounts for 505,000 allocated pumps (38% of India's total) with a target of 850,000 pumps by FY29. GK Energy has an order book of Rs. 7,579.76 million for 30,632 pumps in the state and plans to expand into Haryana, Rajasthan, Uttar Pradesh, and Madhya Pradesh. Its decentralized execution, customer-centric approach, and quality focus strengthen its growth prospects.

Strong Order Book and Expanding Market Opportunity: India's solar-powered pump market is expanding rapidly as farmers recognize their long-term benefits, even with higher upfront costs. Marginal farmers now contribute between 5% and 69% of installation costs, aided by faster implementation, cost reductions, and reliable after-sales service. IoT- and AI-enabled innovations such as predictive maintenance and smart irrigation are driving adoption further. With nearly 30 million grid and diesel pumps still in use—two-thirds facing unreliable power and one-third high fuel costs—solar systems present a sustainable, cost-effective solution. Each 3HP pump can save 2–3 tonnes of CO_2 annually, positioning GK Energy to capture significant future demand.

Decentralized Infrastructure and Skilled Local Workforce: The company operates 13 warehouses across three states with a workforce of 60 employees and 485 trained workmen, ensuring smooth operations across five states. By hiring and training locally, GK Energy boosts rural employment while enhancing efficiency. Its distributed warehouse network and use of third-party logistics enable faster installations and responsive after-sales service, strengthening its operational capabilities.

Comprehensive Support from Installation to After-Sales: GK Energy offers end-to-end customer support, from installation to after-sales service, backed by a five-year warranty, manufacturer coverage, and insurance under PM-KUSUM. A dedicated contact center, remote troubleshooting, buffer stock replacement, and a mobile app ensure quick, cost-efficient solutions and seamless customer experiences. This focus on customer satisfaction drives loyalty, reduces marketing costs, and generates strong word-of-mouth

referrals.

Proven Financial Growth and Profitability: GK Energy has demonstrated strong financial performance, with revenue rising from Rs. 70.44 crore in FY22 to Rs. 411.09 crore in FY24, doubling year-on-year. Operating EBITDA grew from Rs. 5.02 crore in FY22 to Rs. 53.82 crore in FY24, with margins improving from 7.12% in FY22 to 18.56% in FY25. Net profit increased from Rs. 1.56 crore in FY22 to Rs. 36.09 crore in FY24, more than sevenfold by FY25, reflecting robust scalability and profitability.

Experienced and Visionary Management: GK Energy's leadership team combines deep industry expertise with strategic foresight. Chairman and MD Gopal Rajaram Kabra brings over 17 years of solar industry experience, while COO Mehul Ajit Shah has successfully expanded operations across multiple states. Supported by a strong Project Head, CFO, and Company Secretary, the team offers comprehensive technical, financial, and compliance expertise, enabling GK Energy to capture growth opportunities in solar pump systems and rooftop solar markets.

Strategically Positioned for Rooftop Solar Expansion: The company is diversifying into rooftop solar systems to broaden revenue streams, leveraging government support and growing public awareness of renewable energy. With EPC expertise in solar-powered pumps, GK Energy is well placed to deliver rooftop solutions, backed by its brand reputation and established customer base. This strategic move further strengthens its positioning in India's evolving solar energy market.

Strategies

Expansion into High-Potential States: Maharashtra, Haryana, Rajasthan, Uttar Pradesh, and Madhya Pradesh together account for 87% of solar pump installations under the PM-KUSUM scheme, with Maharashtra, Haryana, and Rajasthan contributing 37% of India's agricultural power consumption. Building on its success in Maharashtra, GK Energy is seeking empanelment to replicate its solar pump model across these states. The company also plans to capitalize on the growing trend of farmers independently funding additional pumps, creating a strong secondary demand.

Diversification through Rooftop Solar: Leveraging prior experience in rooftop solar, GK Energy is expanding into this segment to diversify revenues and benefit from in-house panel production efficiencies. India's rooftop solar capacity has grown 6.7x between 2019–2024 to 11.9 GW, supported by subsidies, rising awareness, and technology adoption. The PM Surya Ghar Yojana (2024) targets solar installations in 1 crore households, adding 13–16 GW by 2029. With banks extending loans under the scheme, GK Energy is strategically positioned to capture this growing market.

Backward Integration in Solar Panel Manufacturing: Operating under an asset-light model, GK Energy currently sources panels, pumps, and components under its own brand from third-party vendors. To reduce costs—given panels represent 40% of installation expenses—the company plans to establish a manufacturing facility in Maharashtra by 2026. The plant will produce both DCR and non-DCR modules, enhancing control over quality and margins.

Strengthening Vendor Ecosystem: To ensure reliability and cost efficiency, GK Energy intends to enter fixed-price contracts with its largest suppliers of panels and pumps. This approach will help stabilize input costs, maintain long-term partnerships, and secure uninterrupted supply for future growth.

Exploring New Market Segments: GK Energy is broadening its scope beyond PM-KUSUM by targeting large farmers outside subsidy coverage, converting grid-connected pumps to solar power, and providing EPC solutions for rooftop projects in the commercial and industrial sectors. Additionally, the company plans to deliver integrated solar pump systems to small-scale industries, further expanding its addressable market.

Risk Factor

- The company depends on a few third-party suppliers; failure or cost increases in key components could materially impact operations and financials.
- Adverse developments in the agricultural sector may reduce demand for solar pumps.
- Business performance is also subject to seasonal fluctuations.

Peer Comparison

Co_Name	Total Income	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Shakti Pumps	2516.24	408.37	33.43	26.52	7.53	117.81	10	886.65	10941
Oswal Pumps	1430.31	280.61	26.74	29.32	6.61	118.65	1	784.15	8937
GK Energy Limited	1094.83	133.21	6.57	23.30	5.09	30.03	2	153.00	3103

***Peer companies financials are TTM based**
****GK Energy Limited based on Actual FY25**

Valuation

Considering the P/E valuation, on the upper end of the price band of Rs153, the stock is priced at pre issue P/E of 20.29x on FY25 EPS of Rs 7.54. Post issue, the stock is priced at a P/E of 23.30x on its EPS of Rs. 6.57. Looking at the P/B ratio at Rs.153 pre issue, book value of Rs.11.83 of P/Bvx 12.93x. Post issue, book value of Rs. 30.03 of P/Bvx 5.09x.

Considering the P/E valuation, on the lower end of the price band of Rs.145, the stock is priced at pre issue P/E of 19.23x on FY25 EPS of Rs. 7.54. Post issue, the stock is priced at a P/E of 22.08x on its EPS of Rs. 6.57. Looking at the P/B ratio at Rs. 145 pre issue, book value of Rs. 11.83 of P/Bvx 12.25x. Post issue, book value of Rs.30.03 of P/Bvx 4.83x.

Industry Outlook

The company primarily operates in the EPC of solar-powered agricultural water pump systems in India. India's 11.8 crore farmers are heavily dependent on groundwater extraction for irrigation. As of 2022, 0.8 crore out of approximately 3 crore agriculture pumps in India were diesel based and 2.2 crore pumps relied on grid electricity. Solar-powered pump systems present a transformative solution, offering an environmentally sustainable, cost-effective and reliable alternative to traditional irrigation methods. The PM-KUSUM Scheme, launched in 2019 with an outlay of Rs. 34,400 crore, aims to install 14 lakh standalone solar-powered pump systems by March 31, 2026 to aid farmers and to reduce carbon dioxide emissions. The market size of the domestic solar-powered pump systems increased at a compound annual growth rate ("CAGR") of 15% from Rs. 1,930 crore in Fiscal 2019 to approximately Rs. 3,900 crore in Fiscal 2024 and is forecast to reach Rs. 30,000–32,000 crore 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. Component B covers and provides for the installation of stand-alone solar-powered agriculture pump systems of capacity up to 7.5 HP for replacement of existing diesel agriculture pumps / irrigation systems in off-grid areas, where grid supply is not available. Component C covers and provides for the solarisation of existing grid connected agriculture pumps of capacity up to 7.5 HP. The balance additions are expected to be driven by state government schemes.

Outlook

The company offers strong growth potential, backed by leadership in solar pump EPC, a robust order book, and proven financial performance. Expansion into new states, rooftop solar diversification, and backward integration strengthen its long-term prospects. While supplier reliance, agri-dependence, and seasonal risks exist, the company's scalability and profitability make it an attractive medium- to long-term investment opportunity.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
BID/ISSUE OPENS ON	19-September-25
BID/ISSUE CLOSES ON	23-September-25
Finalisation of Basis of Allotment with the Designated Stock Exchange	24-September-25
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	25-September-25
Credit of Equity Shares to Demat Accounts of Allottees	25-September-25
Commencement of trading of the Equity Shares on the Stock Exchanges	26-September-25

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)	Period ended 31-Mar-23 (12 Months)
Revenue from operations	1094.83	411.09	285.03
Total expenditure	895.14	357.26	267.85
Operating Profit	**199.69**	**53.83**	**17.18**
OPM%	1.82	1.31	0.60
Other Income	4.35	1.22	0.43
Total Net Income	**204.04**	**55.05**	**17.61**
Interest	22.35	6.10	3.65
PBDT	**181.69**	**48.95**	**13.96**
Depreciation	1.42	0.67	0.48
PBT	**180.27**	**48.28**	**13.47**
Tax	47.06	12.19	3.39
PAT	**133.21**	**36.09**	**10.08**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 31-Mar-25	As on 31-Mar-24	As on 31-Mar-23
Non-current assets			
Financial liabilities			
Property, Plant and Equipment	13.08	10.53	5.98
Right-of-use assets	0.15	0.19	0.00
Intangible assets	0.74	0.00	0.00
Capital Work-in-progress	0.00	0.02	0.00
Financial Assets			
Other Financial Assets	14.57	10.23	3.86
Deferred Tax Assets	0.03	0.00	0.00
Toal Non-Current Assets	**28.56**	**20.97**	**9.84**
Current asset			
Inventories	59.94	19.76	11.91
Financial Assets			
Trade receivables	360.85	151.92	112.64
Cash and cash equivalents	1.12	0.68	0.67
Other Bank Balance	61.70	9.02	3.50
Other Financial assets	5.35	1.14	1.13
Loans	0.00	0.00	0.00
Current Tax Asset (net)	0.00	0.04	0.34
Other Current Assets	66.11	10.54	2.80
Total current assets	**555.06**	**193.11**	**132.99**
Total Assets	**583.62**	**214.08**	**142.82**
Non-current liabilities			
Financial Liabilities			
Borrowings	12.37	16.24	6.11
Lease liabilities	0.12	0.14	0.00
Other financial liabilities	0.46	1.19	0.30
Deferred Tax Liabilities (Net)	0.00	0.69	0.62
Provisions	0.15	0.13	0.00
Other non-current liabilities	0.00	1.17	0.94
Total Non- Current liabilities	**13.09**	**19.56**	**7.97**
Current liabilities			
Financial Liabilities			
Borrowings	205.42	46.05	36.50
Lease liabilities	0.04	0.04	0.00
Trades Payable - total outstanding dues of micro enterprises and small enterprises	2.22	2.29	0.00
Trades Payable - total outstanding dues of creditors other than micro enterprises and small enterprises	115.04	64.38	76.97
Other financial liabilities	31.41	9.14	0.10
Provisions	4.05	6.22	0.00
Other Current Liabilities	3.26	10.44	1.42
Total Current liabilities	**361.44**	**138.56**	**114.99**
Total	**374.53**	**158.12**	**122.95**
Net worth represented by:			
Equity Share Capital	34.03	1.30	1.30
Other equity	175.07	54.66	18.57
Net Worth	**209.09**	**55.96**	**19.87**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★
EXCELLENT	★★★★★

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