GK Energy Ltd.

18th September, 2025

IPO Details

IPO Date	September 19, 2025 to September 23, 2025
Face Value	₹2 per share
Price Band	₹145 to ₹153 per share
Lot Size	98 Shares
Sale Type	Fresh Capital-cum-Offer for Sale
Total Issue Size	3,03,43,790 shares (aggregating up to ₹464.26 Cr)
Fresh Issue	2,61,43,790 shares (aggregating up to ₹400.00 Cr)
Offer for Sale	42,00,000 shares of ₹2 (aggregating up to ₹64.26 Cr)
Issue Type	Book building IPO
Listing At	BSE, NSE
Shareholding pre issue	17,01,37,529 shares
Share Holding Post Issue	19,62,81,319 shares
QIB Shares Offered	Not more than 50% of the Net Offer
Retail Shares Offered	Not less than 35% of the Net Offer
NII (HNI) Shares Offered	Not less than 15% of the Net Offer
Retail (Min & Max) shares	98 Shares & 1,274 shares
Retail (Min & Max) application amount	₹14,994 & ₹1,94,922
S-HNI (Min shares & application amount)	1,372 shares & ₹2,09,916
S-HNI (Max shares & application amount)	6,468 shares & ₹9,89,604
B-HNI (Min shares & application amount)	6,566 shares & 10,04,598
Basis of Allotment	Wed, Sep 24, 2025
Initiation of Refunds	Thu, Sep 25, 2025
Credit of Shares to Demat	Thu, Sep 25, 2025
Listing Date	Fri, Sep 26, 2025
Cut-off time for UPI mandate confirmation	5 PM on Tue, Sep 23, 2025
Promoters	Gopal Rajaram Kabra and Mehul Ajit Shah are the company promoters.
Registrar	MUFG Intime India Pvt.Ltd.

Note 1: Application made using third party UPI or ASBA A/C is liable to be rejected. For apply please click on the Link https://ipo.adroitfinancial.com/ for any kind of assistance please contact to their helpdesk team at 0120-6826800 or mail us on ipo@adroitfinancial.com

Company Profile

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 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. They 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. They have been empanelled 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.
As at August 15, 2025, they had an Order Book of Rs. 1028 crore consisting of an SPPS Order Book of Rs. 1008 crore and orders for rooftop solar systems of Rs. 20 crore.

GEL's revenue from operations grew by 166.32% YoY due to a one-off order from Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL), which contributed to 64.2% of the consolidated revenue, and PAT grew by 269% in the same period.

Objects of the issue

- ❑ Funding their long-term working capital requirements – Rs. 322.4 crore
- ❑ General Corporate Purposes – Rs. 77.6 crore
- ❑ Offer for Sale - Rs. 64.26 crore

Financial Details

Particulars (Amount in Crores)	31-Mar-25	31-Mar-24	31-Mar-23
Revenue from Operations	1094.8	411.1	285.0
Other income	4.3	1.2	0.4
Total Income	**1099.2**	**412.3**	**285.5**
Expenses			
- Cost of goods sold	70.3	29.8	24.2
- Decrease in inventories of work in progress	-	1.3	2.6
- Purchases of stock in trade	0.7	12.0	10.9
- Employee benefit expenses	18.0	8.0	0.8
- Finance cost	22.3	6.1	3.7
- Depreciation and amortization	1.4	0.7	0.5
- Other expenses	173.7	38.2	11.9
Total expenses	918.9	364.0	272.0
EBITDA	**199.7**	**53.8**	**17.2**
EBITDA Margin (%)	**18.24%**	**13.09%**	**6.03%**
Profit/(Loss) before tax	**180.3**	**48.3**	**13.5**
Tax expense/(credit)	47.1	12.2	3.4
Profit/(Loss) After Tax	**133.2**	**36.1**	**10.1**
PAT Margin (%)	**12.17%**	**8.78%**	**3.54%**
Basic EPS (in Rs.)	**7.86**	**2.14**	**0.66**

Key Metrics	Mar-25	Mar-24	Mar-23
Net Debt to Equity	0.74	0.94	1.93
Receivable Days	120	135	144
Net Working Capital Days	90	80	51

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Competitive Strengths

- **Leading pure play provider of the EPC of solar-powered pump systems in Maharashtra:** They are the leading pure play provider of the EPC of solar-powered pump systems in Maharashtra under the PMKUSUM Scheme, with approximately 15% of the total solar-powered pump systems installed under the PMKUSUM Scheme in Maharashtra as at July 31, 2025.

- **Robust order book:** As of August 15, 2025, GEL's order book totals Rs. 1028 crore, led by solar-powered pump systems (Rs. 1008 crore, 98.05%), with most orders coming directly from beneficiaries (Rs. 934 crore, 90.79%) and the rest from other sales (Rs. 74 crore, 7.26%). Rooftop solar systems make up Rs. 20 crore, or 1.95% of the total.

- **Decentralized infrastructure:** They have a decentralized infrastructure, comprising 12 warehouses in 3 states as at August 30, 2025, and a localized workforce of 90 employees and 709 workmen as at March 31, 2025, which enable them to efficiently operate across broad geographic areas in five states.

- **Track record of profitable financial performance:** Their revenue from operations increased from Rs. 285 crore for Fiscal 2023 to Rs. 1094 crore for Fiscal 2025, representing a CAGR of 95.99%. Their profit for the year increased from Rs. 10 crore for Fiscal 2023 to Rs. 133 crore for Fiscal 2025, representing a CAGR of 263.53%.

- **Well-positioned to seize opportunities:** They are now working toward expanding our rooftop solar business in order to diversify our sources of revenue and as at August 15, 2025 have received orders amounting to Rs. 23 crore or 5.28 MW. We believe we are well positioned to seize the growing market opportunity presented by government schemes and general public awareness of the importance of renewable energy in the context of global warming.

Key Risk Factors

- **Very heavy reliance on PM-KUSUM scheme:** A major portion of GEL’s revenue comes from direct-to-beneficiary sales of solar-powered pump systems under the PM-KUSUM Scheme, contributing 83.83% in 2025, 74.39% in 2024, and 89.02% in 2023 to its total operating revenue. If the PM-KUSUM Scheme ends in March 2026 or is not replaced by similar initiatives, or if there are reductions in scheme payouts or eligibility, GEL could face serious negative impacts on its business, financial health, and cash flows.

- **Concentration of EPC revenue:** They derive Rs. 1087 crore, Rs. 374 crore and Rs. 258 crore, equivalent to 99.32%, 91.07% and 90.55% of their revenue from operations for Fiscals 2025, 2024 and 2023, respectively, from the engineering, procurement and commissioning (EPC) of solar-powered agricultural water pump systems. Any decrease in demand for the EPC of solar-powered agricultural water pump systems could have a material adverse effect on their business, financial condition, results of operations and cash flows.

- **High Trade Receivables:** For the year ended March 31, 2025, GEL reported consolidated trade receivables of Rs. 360 crore, which accounted for 32.96% of its revenue from operations of Rs. 1094 crore. Although, this reflects an improvement over previous years, as the percentage of trade receivables to revenue has declined steadily - from 36.95% in 2024 and 39.52% in 2023 - indicating enhanced collection efficiency and stronger operational performance over time.

- **Negative operating cash flow:** GEL’s cash flow in 2025 reflects a troubling trend: cash used in operating activities stood at a substantial Rs. 98 crore outflow, with further drain from investing activities at Rs. 53 crore. The company’s positive cash position at year-end was sustained only by heavy external financing, underscoring ongoing operational cash shortfalls and reliance on borrowed funds.

- **Customer concentration:** They derived Rs. 165 crore, Rs. 68 crore and Rs. 11 crore, equivalent to 15.13%, 16.67% and 3.99% of our revenue from operations for Fiscals 2025, 2024 and 2023, respectively, from their top customer in the respective years. In FY2025, GEL’s top 3 customers contributed Rs. 168 crore or 15.43% of revenue. For FY2024, the top three made up Rs. 78 crore or 19.16%, and in FY 2023, Rs. 16 crore or 5.84% of revenue from operations.

Comparison with Listed Peers

Name of the Companies	Market Price	Face Value (per Share)	P/E Ratio	EPS (Basic)	EPS (Diluted)	RoNW	NAV (per Share)
GK Energy Limited	N.A	2.00	23.32*	6.55**	6.55**	63.71%	12.35
Peers:							
Shakti Pumps (India) Limited	869.15	10.00	26.00	33.42	33.42	35.20%	96.59
Oswal Pumps Limited	794.50	1.00	32.3	24.59	24.59	93.00%	44.56

*P/E Ratio calculated based on upper band price.
** EPS calculated including fresh issue shares.
^ there are no listed companies or peers in India that engage in a business which is similar to iValue Infosolutions

Summary

GEL is India's largest dedicated EPC (engineering, procurement and commissioning) services provider for solar-powered agricultural water pump systems (also known as solar-powered pump systems) under Component B of the Pradhan Mantri KUSUM scheme, based on the number of installations executed between January 1, 2022, and July 31, 2025.

CRISIL expects the installed base under the PM-KUSUM Scheme to increase from 0.85 million pump systems as at the end of July 31, 2025 to approximately 4.0 million pump systems by the end of Fiscal 2029. They will deepen their penetration in Maharashtra as they execute their SPPS Order Book, which as at August 15, 2025, included Rs. 988 crore for 42,311 solar-powered pump systems to be installed in Maharashtra under the PMKUSUM Scheme.

GK Energy Limited exhibits a notably high net working capital cycle of approximately 90 days. This extended cycle is primarily due to the deliberate reduction in their trade payable period, which has been shortened to around 15 to 20 days.

As of July 31, 2025, GEL had installed 97,098 solar-powered pump systems under the PM-KUSUM and state schemes and in Fiscal 2025 alone, the company installed 183 MW of solar panels as part of its EPC pump system projects. GEL is setting up a solar panel manufacturing facility in Maharashtra with a planned annual installed capacity of 1 GW, expected to be operational by September 2026. This will primarily cater to its own EPC contracts (solar pumps + rooftop solar).

The company is bringing the IPO at an attractive valuation considering it's capacity and growth potential.

Therefore, it is recommended to **"Subscribe"** to the IPO for long-term investment, considering it's valuation and growth potential.

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