श्री LAKSHMISHREE
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IPO NOTE

GK ENERGY LTD. ‘SUBSCRIBE’ 19-09-2025 TO 23-09-2025

Industry: Solar Energy and Renewables
Recommendation: Subscribe for long term

Price Band: ₹145 to ₹153
Post Implied Market Cap: ₹2,962 Cr - ₹3,103 Cr

Key Data

Issue Size (₹ Cr)	₹464.26
Fresh (₹ Cr)	₹400.00
OFS (₹ Cr)	₹64.26
No of shares offered (total issue)	3,03,43,790
Face Value (₹ /share)	2
Bid Lot	98 Shares

Indicative Timetable

IPO Open Date	Fri, Sep 19, 2025
IPO Close Date	Tue, Sep 23, 2025
Tentative Allotment	Wed, Sep 24, 2025
Initiation of Refunds	Thu, Sep 25, 2025
Credit of Shares to Demat	Thu, Sep 25, 2025
Tentative Listing Date	Fri, Sep 26, 2025
Cut-off time for UPI mandate confirmation	5 PM on Tue, Sep 23, 2025

Shareholding (No. of shares)

Pre-Issue	17,01,37,529
Post-Issue	19,62,81,319

Issue Breakup

QIB	50%
NII	15%
Retail	35%

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	93.28%	79.18%
Promoter group	0.01%	0.01%
Public	6.71%	20.80%
Total	100%	100%

Other Details

BRLMs: IIFL Capital Services Limited (formerly known as IIFL Securities Limited), HDFC Bank Limited
Registrar: MUFG Intime India Private Limited (formerly Link Intime India Private Limited)
Listing: BSE & NSE

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About the company

GK Energy ltd. is a Pune, India-based company that specializes in providing solar energy solutions. It is a leading pure-play provider of Engineering, Procurement, and Commissioning (EPC) services for solar-powered agricultural water pump systems in India, particularly under the government's PM-KUSUM scheme.
The company's services include providing complete solutions to farmers, from survey and design to installation and maintenance of solar pumps. GK Energy ltd. operates in several states across India and has a focus on decentralized solar solutions to improve energy efficiency.

Investment Rationales

Dominant Market Position: As a leading pure-play EPC provider for solar agricultural pumps, GK Energy holds a strong position within the government's PM-KUSUM scheme, ensuring a stable business pipeline.
Exceptional Financial Performance: The company has shown explosive growth, with revenue and profit (PAT) experiencing a high Compound Annual Growth Rate (CAGR) of 96% and 264%, respectively, between Fiscal 2023 and Fiscal 2025.
Strong Order Book: With an order book of over ₹714 Cr as of March 2025, the company has significant revenue visibility for the coming years.
Asset-Light Model: Its EPC-focused business model has led to strong profitability and high returns on capital, as shown by its ROCE, which increased from 29.36% to 55.65% in two years.
Addressing a Critical Need: The company is well-positioned to capitalize on the growing demand for sustainable and cost-effective solar energy solutions in India's agricultural sector.

Risk

Pure play EPC faces competition from players that can manufacture as well.
Concentrated and limited component sourcing: Although the company operates through an asset light business model, it sources components through a limited number of suppliers.

Our views

We believe the GK Energy IPO offers investors an opportunity to invest in a key player in India's booming renewable energy sector. As a leading pure-play EPC (Engineering, Procurement, and Commissioning) provider for solar-powered agricultural water pump systems, the company is well-positioned for future growth, primarily driven by the government's PM-KUSUM scheme. Its strong order book and asset-light business model highlight its competitive strength.
The company has demonstrated exceptional growth, with revenue rising to ₹1,094.83 Cr and Profit After Tax (PAT) increasing to ₹133.21 Cr in FY25. This profitability comes with significant improvement in its Return on Capital Employed (ROCE), which stood at 55.65% in FY25.
On valuation, the IPO is attractively priced. The market cap of around ₹201.12 Cr translates to a Market Cap-to-Sales multiple of ~0.18x, which appears significantly lower than peers. The P/E ratio of ~1.51x is also notably low, suggesting substantial value.
However, a high dependency on government policies and the business's project-based nature can be considered risks. We recommend that risk-tolerant investors looking for exposure to the renewable energy sector **SUBSCRIBE** to the GK Energy IPO for a long-term perspective.

CONSOLIDATED FINANCIALS – BASIC FINANCIAL DETAILS

Financial Performance Indicators	Units	Fiscal 2023	Fiscal 2024	Fiscal 2025
Revenue from operations	In ₹ Cr	285.03	411.09	1094.83
Revenue from operations growth	%	N.A.	44.23%	166.32%
Total Income	In ₹ Cr	285.45	412.31	1099.18
EBITDA	In ₹ Cr	17.18	53.83	199.69
EBITDA Margin	%	6.03%	13.09%	18.24%
Profit for the year	In ₹ Cr	10.08	36.09	133.21
PAT Margin	%	3.53%	8.75%	12.12%
Return on Equity (ROE)	%	50.73%	64.49%	63.71%
Return on Capital Employed	%	29.36%	50.10%	55.65%
Net Debt to Equity Ratio	in times	1.93	0.94	0.74
Total Borrowings	In ₹ Cr	42.61	62.29	217.79
Net Debt to EBITDA Ratio	in times	2.24	0.98	0.78
Receivable Days	in days	144	135	120
Net Working Capital Days	in days	51	80	90

Source: Company RHP

GK Energy Ltd. IPO Peer Comparison

(As on March 31, 2025)

Company Name	EPS (Basic)	EPS (Diluted)	NAV (per share) (Rs)	P/E (x)	RoNW (%)	P/BV Ratio	Financial statements
GK Energy Limited	**7.86**	**7.86**	**12.35**	**19.47**	**63.71**		**Restated**
Shakti Pumps (india) Ltd.	33.97	33.97	96.59	24.11	35.2	8.53	Consolidated
Oswal Pumps Limited	28.21	28.18	44.56	29	93	18.57	Consolidated

Notes:
All the financial information for listed industry peer mentioned above is on a consolidated basis and is sourced from the annual report as available of the respective company for the relevant year ended March 31, 2025.
P/E Ratio has been computed based on the closing market price of equity shares on BSE on September 8, 2025, divided by the Diluted EPS.
P/E Ratio of GK Energy ltd. is implied and not actual.
Return on Net Worth (%) = Profit attributable to the owners for the period/year divided by Net Worth as at the end of the year/period.
Net asset value per share = Net worth (excluding Non-Controlling Interest) as restated / weighted average number of equity shares outstanding at the end of the year adjusted for the issue of split and bonus shares, in accordance with principles of Ind AS 33.
Weighted Average Number of Shares are adjusted for bonus issue.

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