GK ENERGY LTD

IPO Note

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Redefining Energy with Clean, Efficient Solutions

GK Energy Limited incorporated in 2008, 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 operates 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 specialized vendors.

Industry	Infrastructure

Scrip Details	
Listing	NSE &BSE
Open Date	Sep 19, 2025
Close Date	Sep 23, 2025
Price Band	INR 145 – 153
Face Value	INR 2.00
Market Lot	98 Shares
Minimum Lot	1

Issue Structure	
Issue Size (INR cr)	INR 464.26
Issue Size (Shares)	3,03,43,790
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≥ 15%
Retail Share (%)	≥ 35%
Pre Issue sh.	17,66,73,476
Post Issue sh.	20,28,17,266
Post Issue Market Cap (cr)	3103.10

Shareholding (%)	Pre (%)	Post (%)
Promoter	93.29	78.64
Public	6.71	21.36
TOTAL	**100**	**100**

Strengths:

- **Leading EPC provider for solar-powered agricultural pumps in India.**
- **Significant market share under the PM-KUSUM scheme with 42,778 installations.**
- **Asset-light business model enabling scalability and cost efficiency.**
- **Robust financial growth with revenue reaching ₹1,094.83 crore in FY25.**
- **Strong order book of ₹714.28 crore as of March 31, 2025, indicating future revenue visibility**

Risks:

- **High dependence on government schemes like PM-KUSUM for revenue.**
- **Exposure to policy changes and regulatory risks in the renewable energy sector.**
- **Rising operational costs are impacting profitability, as seen in increased expenses in FY25.**
- **Reliance on third-party suppliers for key components may affect supply chain stability.**
- **Competition from established players in the solar energy sector could impact market share.**

As of November 30, 2024, the company has 12 warehouses in three states as at August 30, 2025, and a localized 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.

Key Consolidated Financial Data (INR in Cr, unless specified)

	REVENUE (X)	EBITDA (X)	Net Profit (x)	EBITDA (%)	Net (%)	EPS (INR)	EV/EBITDA (X)	RoE (%)	RoIC (%)	P/E (X)
FY23	285.0	17.2	10.1	6.0	3.5	3.3	29.2	50.7	28.6	46.0
FY24	411.1	53.8	36.1	13.1	8.8	11.9	9.6	64.5	49.0	12.8
FY25	1,094.8	199.7	134.7	18.2	12.3	44.5	3.1	75.6	59.8	3.4

Source: Ventura Research & Company update

Issue Structure and Offer Details

GK Energy Ltd IPO is a book build issue of INR 464.26 cr. The issue is entirely a fresh issue of 2.16 cr. shares of INR 400 cr. and offer for sale of 0.42 cr. shares of INR 64.26 cr.

Issue Structure

Investor Category	Allocation
QIB	**Not more than 50.00% of the Offer**
NII (HNI)	**Not less than 15.00% of the Offer**
Retail	**Not less than 35.00% of the Offer**

Number of shares based on a higher price band of INR 153

Source: Company Reports

Objects of the Issue

The Company proposes utilizing Net Proceeds towards the following objects:

1. **Funding working capital requirements of the company-INR 322.46 cr.**
2. **General Corporate purposes.**

Financial Summary

Fig in INR Cr (unless specified)	FY23	FY24	FY25
Income Statement			
Revenue	285.0	411.1	1,094.8
YoY Growth (%)	*304.6*	*44.2*	*166.3*
Raw Material Cost	255.1	311.1	703.4
RM Cost to Sales (%)	*89.5*	*75.7*	*64.2*
Employee Cost	0.8	8.0	18.0
Employee Cost to Sales (%)	*0.3*	*1.9*	*1.6*
Other Expenses	11.9	38.2	173.7
Other Exp to Sales (%)	*4.2*	*9.3*	*15.9*
EBITDA	17.2	53.8	199.7
Margin (%)	*6.0*	*13.1*	*18.2*
YoY Growth (%)	*242.6*	*213.3*	*271.0*
Depreciation & Amortization	0.5	0.7	0.0
EBIT	16.7	53.2	199.7
Margin (%)	*5.9*	*12.9*	*18.2*
YoY Growth (%)	*267.3*	*218.4*	*275.7*
Other Income	0.4	1.2	4.3
Bill discounting & other charges	3.7	6.1	22.3
Fin Charges Coverage (X)	4.6	8.7	9.0
Exceptional Item	0.0	0.0	0.0
PBT	13.5	48.3	181.7
Margin (%)	*4.7*	*11.7*	*16.6*
YoY Growth (%)	*542.1*	*258.4*	*276.4*
Tax Expense	3.4	12.2	47.0
Tax Rate (%)	*25.2*	*25.2*	*25.9*
PAT	10.1	36.1	134.7
Margin (%)	*3.5*	*8.8*	*12.3*
YoY Growth (%)	*547.4*	*258.0*	*273.2*
Min Int/Sh of Assoc	0.0	0.0	0.0
Net Profit	10.1	36.1	134.7
Margin (%)	*3.5*	*8.8*	*12.3*
YoY Growth (%)	*547.4*	*258.0*	*273.2*
Balance Sheet			
Share Capital	1.3	1.3	1.3
Total Reserves	18.6	54.7	174.7
Shareholders Fund	19.9	56.0	176.0
Long Term Borrowings	6.1	16.2	12.3
Deferred Tax Assets / Liabilities	0.6	0.7	1.0
Other Long Term Liabilities	1.2	2.5	0.0
Long Term Trade Payables	0.0	0.0	0.0
Long Term Provisions	0.0	0.1	0.1
Total Liabilities	27.8	75.5	189.4
Net Block	6.0	10.7	14.0
Capital Work in Progress	0.0	0.0	0.0
Intangible assets under development	0.0	0.0	0.0
Non Current Investments	0.0	0.0	0.0
Long Term Loans & Advances	0.0	0.0	0.0
Other Non Current Assets	3.9	10.2	14.5
Net Current Assets	18.0	54.6	160.9
Total Assets	27.8	75.5	189.4

Fig in INR Cr (unless specified)	FY23	FY24	FY25
Per share data & Yields			
Adjusted EPS (INR)	3.3	11.9	44.5
Adjusted Cash EPS (INR)	3.5	12.1	44.5
Adjusted BVPS (INR)	6.6	18.5	58.1
Adjusted CFO per share (INR)	(5.1)	(3.4)	(46.4)
CFO Yield (%)	(3.3)	(2.2)	(30.3)
Adjusted FCF per share (INR)	(4.3)	(3.7)	(30.7)
FCF Yield (%)	(2.8)	(2.4)	(20.1)
Solvency Ratio (X)			
Total Debt to Equity	2.1	1.1	1.2
Net Debt to Equity	1.9	0.9	0.9
Net Debt to EBITDA	2.2	1.0	0.8
Return Ratios (%)			
Return on Equity	50.7	64.5	75.6
Return on Capital Employed	20.0	33.6	37.2
Return on Invested Capital	28.6	49.0	59.8
Working Capital Ratios			
Payable Days (Nos)	99	59	39
Inventory Days (Nos)	15	18	20
Receivable Days (Nos)	144	135	120
Net Working Capital Days (Nos)	61	93	101
Net Working Capital to Sales (%)	16.7	25.5	27.7
Valuation (X)			
P/E	46.0	12.8	3.4
P/BV	23.3	8.3	2.6
EV/EBITDA	29.2	9.6	3.1
EV/Sales	1.8	1.3	0.6
Cash Flow Statement			
PBT	13.5	48.3	181.7
Adjustments	(2.8)	10.9	(76.5)
Change in Working Capital	(22.7)	(57.4)	(198.7)
Less: Tax Paid	(3.4)	(12.2)	(47.0)
Cash Flow from Operations	(15.5)	(10.4)	(140.5)
Net Capital Expenditure	(0.2)	(5.4)	(10.9)
Change in Investments	0.4	1.2	(52.6)
Cash Flow from Investing	0.2	(4.2)	(63.5)
Change in Borrowings	18.4	20.7	187.6
Less: Finance Cost	(3.7)	(6.1)	(22.3)
Proceeds from Equity	0.7	0.0	0.0
Buyback of Shares	0.0	0.0	0.0
Dividend Paid	0.0	0.0	(13.3)
Cash flow from Financing	15.4	14.6	152.0
Net Cash Flow	0.2	0.0	(52.0)
Forex Effect	0.0	0.0	0.0
Opening Balance of Cash	0.5	0.7	0.7
Closing Balance of Cash	0.7	0.7	(51.3)

Source: Company Reports

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