



GK ENERGY LTD

Price Band

₹145 to ₹153

Issue Opens

September 19 to September 23

Face Value

₹2

Issue Size

₹464.26 Cr

Lot Size

98 Shares

Listing At

NSE, BSE

GK Energy Ltd Info

Issue Size

3,03,43,790 shares / ₹464.26 Cr

Fresh Issue

2,61,43,790 shares / ₹400.00 Cr

Offer for Sale

42,00,000 shares of ₹2 / ₹64.26 Cr

Retail Quota

Not Less than 35% of the Net Issue

Retail Min/Max

Rs.14,994 /1,94,922

GK Energy Ltd Timeline

Tentative Allotment

Wed, Sep 24, 2025

Initiation of Refunds

Thu, Sep 25, 2025

Credit of Shares to Demat

Thu, Sep 25, 2025

"GK Energy Ltd" Listing Day

Fri, Sep 26, 2025

Objects of The Offer



The Offer consists of a Fresh Issue of Equity Shares by the Company and an Offer for Sale by the Promoter Selling Shareholders.

1. Funding Long-Term Working Capital Requirements:

- o An estimated ₹3,224.58 million from the Net Proceeds will be utilised in Fiscal 2026 to meet long-term working capital needs.
- o This includes securing fund-based and non-fund-based limits and issuing bank guarantees required for executing projects under government schemes such as PM-KUSUM.
- o The Company has already raised ₹999.99 million via a Pre-IPO Placement, which has been used for working capital in Fiscal 2026.

2. General Corporate Purposes:

- o The balance Net Proceeds will be allocated to general corporate purposes, including strategic initiatives, funding growth opportunities, brand building, and other business needs.
- o This utilisation will not exceed 25% of the Gross Proceeds from the Fresh Issue, in compliance with SEBI ICDR Regulations.

About The Company and Business Overview

GK Energy Limited is India's largest pure play Engineering, Procurement, and Commissioning (EPC) provider of solar-powered agricultural water pump systems. The Company delivers end-to-end solutions covering survey, design, supply, assembly, installation, testing, commissioning, and maintenance of solar pump systems.

Core Business Operations

1. Direct-to-Beneficiary Sales (Major Segment):

- o EPC services for farmers under the Pradhan Mantri Kisan Urja Suraksha evam Utthan Mahabhiyan (PM-KUSUM) Scheme and state-level programs, where farmers select vendors via nodal agency portals.
- o EPC of solar dual water pump systems, including water storage, for local government bodies.

2. Sales to Others:

- o EPC of solar-powered pump systems for customers outside government schemes, through direct orders.

For Fiscals 2023-2025, EPC of solar pumps contributed over 90% of total revenue, with PM-KUSUM sales alone accounting for 74-89% of revenues.



Other Activities

- EPC of water storage and distribution facilities under the Jal Jeevan Mission.
- Supply and installation of solar rooftops, streetlights, and home lighting for government agencies.
- Trading of photovoltaic (PV) cells, solar modules, and related items.

Market Position & Operations

- Market Leader under Component B of PM-KUSUM with 62,559 installations (Jan 2022 – July 2025), a 7.37% market share of completed orders.
- Strong presence in Maharashtra, holding ~15% of installed pump share as of July 2025.
- Operations across Maharashtra, Chhattisgarh, Haryana, Uttar Pradesh, Rajasthan, and Madhya Pradesh.
- Order book of ₹10,289.64 million as of August 15, 2025.
- Operates an asset-light model, sourcing panels, pumps, and components from specialized vendors.

Growth Strategy

- Backward Integration: Setting up a 1 GW solar panel plant in Maharashtra to reduce costs and ensure supply security.
- Diversification: Expansion into rooftop solar under schemes like PM Surya Ghar Yojana.
- Geographic Expansion: Strengthening presence in high-potential states such as Haryana, Rajasthan, UP, and MP.

Financial Ratios

FINANCIAL RATIOS	ROCE	ROE	P/E	INDUSTRY P/E	EV/EBITDA
Shakti Pumps (India) Limited	55.30	42.60	26.00	19.69	17.10
Oswal Pumps Limited	77.90	87.50	32.40	19.69	22.20
GK Energy Limited	55.65	63.71	19.76	19.69	-



Brief profile of the Directors

- **Gopal Rajaram Kabra** is serving as the Promoter, Chairman, Managing Director and Chief Executive Officer of the Company. A bachelor's degree in commerce from Swami Ramanand Teerth Marathwada University, Nanded and a master's degree in business administration (marketing) from Vishwakarma School of Business Management and Research were obtained by him. More than 18 years of experience in the solar power industry has been gained by him. Overall operations and business development of the Company are being managed by him.
- **Mehul Ajit Shah** is serving as the Promoter, Whole-time Director and Chief Operating Officer of the Company. A bachelor's degree in commerce and a master's degree in business administration from the University of Pune were obtained by him. More than 14 years of experience in the solar power industry has been gained by him. Project administration and execution of the Company are being looked after by him.
- **Navaniit Mandhaani** is serving as a Non-Executive Director of the Company. A bachelor's degree in commerce from Swami Ramanand Teerth Marathwada University, a master's degree of philosophy in commerce from Vinayaka Missions University, a doctorate in philosophy in depreciation for accounting from the Commonwealth Vocational University and a diploma in taxation laws from the University of Pune were obtained by him. More than 18 years of experience in the education sector has been gained by him.
- **Chandra Iyengar** is serving as an Independent Director of the Company. The Combined Competitive Examination in 1972 was completed by her and she was appointed in the Indian Administrative Service on July 7, 1973. More than 37 years of experience in the administrative services has been gained by her.
- **Susheel Bhandari** is serving as an Independent Director of the Company. A bachelor's degree in commerce from the University of Pune was obtained by him. He is a member of the Institute of Chartered Accountants of India. More than 10 years of experience in the education sector has been gained by him.
- **Pooja Pawan Chandak** is serving as an Independent Director of the Company. A bachelor's degree in commerce from Amravati University was obtained by her. She is a member of the Institute of Chartered Accountants of India. Certificate course in forensic accounting and fraud detection conducted by the Digital Accounting and Assurance Board and a post-qualification course in information systems audit from the Institute of Chartered Accountants of India were completed by her. More than 17 years of experience in the finance sector has been gained by her.

Strengths



- **Market Leadership:** India's largest pure-play EPC provider for solar agri pumps under PM-KUSUM with 62,559 installations and 7.37% market share as of July 2025.
- **Strong Presence in Key States:** Leading player in Maharashtra (~15% share) and empanelled across 5 high-potential states covering 86% of national allocations.
- **Robust Financial Growth:** Revenue grew at 96% CAGR (FY23-FY25); EBITDA margin improved from 6.03% to 18.24% in the same period.
- **Healthy Order Book:** Orders worth ₹10,289.64 mn as of Aug 2025, ensuring strong revenue visibility.
- **Operational Efficiency:** Decentralised infra with 12 warehouses, 90 staff, and 709 workmen enabling faster delivery and service.
- **Customer-Centric Model:** Strong after-sales with contact centres, remote maintenance, and free mobile app for pump monitoring.
- **Experienced Leadership:** Promoters with 30+ years cumulative experience in solar power, driving strategy and growth.
- **Diversification Potential:** Expanding into rooftop solar; secured 5.28 MW orders as of Aug 2025 leveraging EPC expertise.

Key Risk Factors

- **Revenue Concentration:** 99%+ of revenue comes from solar-powered agri pump EPC; over-dependence on a single product increases risk.
- **Dependence on Govt. Schemes:** 74-89% of revenue tied to PM-KUSUM, which ends in March 2026; non-extension could hit business severely.
- **Competitive Disadvantage:** Pure-play EPC player; rivals with in-house solar panel manufacturing enjoy better margins and cost control.
- **Supplier Concentration:** Top 10 suppliers account for 86-93% of purchases; disruption from any key supplier could impact operations.
- **Customer Concentration:** Ecozen Solutions contributed ~15-17% of revenue in FY24-25; loss of this client would materially affect results.
- **Negative Cash Flows:** Operating cash flow negative in FY23-25, requiring ongoing working capital financing.
- **High Working Capital Needs:** Rising receivables (₹3,608.50 mn FY25) and stretched cycles increase borrowings and finance costs.
- **Credit Risk:** Trade receivables at risk of delay/default; potential debt rating downgrade could raise borrowing costs.
- **Geographic Dependence:** 93% of FY25 revenue from Maharashtra; adverse policies or slowdown in core states could hurt performance.
- **Agricultural Dependence:** Demand tied to farmer income, crop cycles, and monsoons; agri stress could reduce pump adoption.
- **Seasonality:** Business peaks in Nov-Mar; weak demand in these quarters can skew annual performance.

Statement of Profit and Loss



(All amounts are in Indian Rupees millions, unless otherwise stated)

Particulars	FY25 (Consol) (₹Mn)	FY24 (Standalone) (₹Mn)	FY23 (Standalone) (₹Mn)
Income			
Revenue from operations	10,948.27	4,110.89	2,850.26
Other income	43.49	12.23	4.26
Total income	10,991.76	4,123.12	2,854.52
Expenses			
Cost of goods sold	7,026.90	2,978.07	2,416.49
(Increase)/Decrease in inventories	-	12.59	25.80
Purchase of stock in trade	7.11	120.03	109.17
Employee benefit expenses	180.01	80.10	7.74
Finance costs	223.45	61.01	36.50
Depreciation and amortization	14.20	6.70	4.83
Other expenses	1,737.39	381.85	119.27
Total expenses	9,189.06	3,640.35	2,719.80
Profit before tax (PBT)	1,802.70	482.77	134.72
Tax expenses			
Current tax	462.12	121.10	33.76
Deferred tax (credit)/charge	(7.19)	0.77	0.18
Earlier year adjustments	15.68	-	(0.02)
Total tax expense/(credit)	470.61	121.87	33.92
Profit for the year	1,332.09	360.90	100.80
Other Comprehensive Income (OCI)			
Remeasurements of defined benefit plans	(0.06)	-	-
Income tax on above	0.02	-	-
Total OCI (net of tax)	(0.04)	-	-
Total Comprehensive Income	1,332.05	360.90	100.80
Earnings Per Share (EPS, FV ₹2)			
Basic EPS	7.86	2.14	0.66
Diluted EPS	7.86	2.14	0.66

Valuation and Outlook



GK Energy Ltd IPO is expected to be priced between **₹145 to ₹153** per share. At this price, the company is valued at a Price-to-Earnings (P/E) ratio of **19.76x**, whereas the industry average is **19.69x**.

Name of Company	Face Value (₹)	Closing Price (₹) (Sep 18, 2025)	Revenue FY25 (₹ Mo)	EPS Basic (₹)	EPS Diluted (₹)	NAV (₹/share)	P/E	RoNW (%)
<i>GK Energy Limited</i>	2.00	-	10,948.77	7.86	7.86	12.35	-	0.64
Shakti Pumps (India) Limited	10.00	873.00	25,162.00	33.97	33.97	96.59	24.11	0.35
Oswal Pumps Limited	1.00	796.00	14,303.00	28.21	28.18	44.56	29.00	0.93

GK Energy Limited is promising yet carries notable risks. The company has demonstrated exceptional revenue and profit growth (CAGR ~96% and ~264% respectively, FY23-FY25), supported by a strong order book of ₹10,289 mn and clear market leadership in solar-powered agricultural pump EPC, with ~7.4% national share and ~15% dominance in Maharashtra. Its planned backward integration into solar panel manufacturing and diversification into rooftop solar projects could strengthen margins, reduce supplier dependency, and broaden revenue streams. However, the business remains highly dependent on the PM-KUSUM scheme (83.8% of FY25 revenue, ending FY26), concentrated in Maharashtra, and exposed to high working capital requirements with negative operating cash flows. Sustained growth will depend on timely execution of backward integration, effective diversification, and strong capital discipline. Overall, GK Energy is well-positioned to benefit from India's renewable energy drive, but long-term performance will hinge on mitigating policy and liquidity risks.

"Call us on 8448899576" to find out whether or not you should apply.

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