

Rating: Neutral

Issue Offer

Fresh issue of 2,61,43,790 shares up to INR 4 Bn and OFS up to 42,00,000 shares up to INR 642.6 Mn, bringing the total issue of 3,03,43,790 shares up to INR 4.64 Bn

Issue Summary

| | |
|-----------------------------|--------------------|
| Price Band (INR) | 145-153 |
| Face Value (INR) | 2 |
| Implied Market Cap (INR Bn) | 31.03 |
| Market Lot | 98 |
| Issue Opens on | September 19, 2025 |
| Issue Close on | September 23, 2025 |
| No. of share pre-issue | 17,66,73,476 |
| No. of share post issue | 20,28,17,266 |
| Listing | NSE / BSE |

Issue Break-up (%)

| | |
|----------------|-----|
| QIB Portion | ≤50 |
| NIB Portion | ≥15 |
| Retail Portion | ≥35 |

Book Running Lead Managers

IIFL Capital Services Ltd.
HDFC Bank Limited

Registrar

MUFG Intime India Private Limited

Shareholding Pattern

| | Pre-Issue | Post-Issue |
|-----------------|-----------|------------|
| Promoters | 93.29% | 78.64% |
| Public & Others | 6.7% | 21.36% |

Objects of the issue

| | Exp. Amt. (INR Mn.) |
|---|---------------------|
| Funding their long-term working capital requirements. | 3,224.6 |

GK Energy Limited is engaged in the design, manufacture, supply, installation, testing, and commissioning of decentralized solar systems, with a strong focus on solar photovoltaic water pumping systems, popularly known as solar agricultural pumps. The company also undertakes engineering, procurement, and construction (EPC) projects for solar-powered pump systems under central and state government initiatives like the PM-KUSUM Scheme and Jal Jeevan Mission. Through its wholly owned subsidiary, GK Energy Solar Private Limited, it manufactures solar panels and related products. The company additionally engages in trading photovoltaic cells, solar modules, and allied products while providing ancillary services such as repair, maintenance, and rooftop solar installations. With a growing installed base of solar-powered pumps, GK Energy plays a critical role in driving clean energy adoption and enhancing water and energy security for farmers across India

Investment Rationale

1. Strong Market Position in Solar Pump EPC : GK Energy has established itself as a leading EPC player in solar-powered pump systems under government schemes such as PM-KUSUM. Its strong execution capabilities and significant share in tender-based projects provide consistent demand and long-term revenue visibility.

2. Expanding Manufacturing and Integrated Operations : The company is setting up a 1 GW solar panel manufacturing facility through its subsidiary, strengthening its backward integration. This move ensures supply security, improves cost efficiency, and positions GK Energy to capture opportunities in rooftop solar and other renewable energy segments.

3. Robust Financial Growth and Profitability : GK Energy has delivered rapid revenue growth backed by timely execution and favorable policy support. Rising operating margins and improved profitability highlight the company's ability to scale efficiently while maintaining healthy financial performance.

Valuation & Outlook: GK Energy Limited's IPO comes at a time when India is accelerating its renewable energy transition and significantly promoting solar adoption through government-backed schemes. The company's leadership in solar pump EPC projects, growing presence in rooftop and decentralized solar solutions, and upcoming 1 GW manufacturing facility provide strong growth levers. Financial performance has improved sharply, supported by scale, integration, and robust demand visibility. However, dependence on government tenders and policy execution remains a key factor to monitor. At the upper band of INR 153, the issue is valued at P/E of 23.29x AND EPS of INR 6.6. We are recommending a "Neutral" rating for this issue.

| Particulars (INR Mn) | FY23 | FY24 | FY25 |
|-------------------------|--------|--------|----------|
| Revenue from Operations | 2,850 | 4,110 | 10,900 |
| EBITDA | 171.79 | 538.25 | 1,996.86 |
| <i>Margins</i> | 6% | 13% | 18% |
| PAT | 100.80 | 360.90 | 1,332.09 |
| <i>Margins</i> | 4% | 9% | 12% |

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Stock Rating Scale**Absolute Return**

| | |
|------------|-------------|
| BUY | >20% |
| ACCUMULATE | 12% to 20% |
| HOLD | 5% to 12% |
| NEUTRAL | -5% to 5% |
| REDUCE | -5% to -12% |
| SELL | <-12% |

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