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IPO Report

19th Sept '25

Snapshot

Company 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 Kisan Urja Suraksha evam Utthan Mahabhiyan scheme (the "PM-KUSUM Scheme") as measured by the number of solar-powered pump systems installed under the PM-KUSUM Scheme in the period from January 1, 2022 to July 31, 2025.

VALUATION

Company is bringing the issue at price band of Rs 145-153 per share at p/e multiple of approx. 23x on post issue FY25 basis. Company is the leading pure play provider of the EPC of solar-powered pump systems in Maharashtra under the PM-KUSUM Scheme, & as at August 15, 2025, company had an order book of ₹10,289.64 million consisting of an SPPS Order Book of ₹10,088.81 million and orders for rooftop solar systems of ₹200.83 million. Company is 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. Hence, we recommend "Subscribe" to the issue.

Price Band (Rs./Share)	145-153
Opening date of the issue	19th Sept '2025
Closing Date of the issue	23rd Sept '2025
No of shares pre issue	1,76,673,476 Eq Shares
Issue Size	Rs 461-464 Cr
Fresh issue	Rs 400 Cr
Offer For Sale	42,00,000 Eq Shares
Face Value (Rs/ share)	Rs 2/share
Bid Lot	98

BIDDING DETAILS

QIBs (Including Anchor)	50% of the offer (Approx 15,893,103 Eq Shares)
Non-Institutional	15% of the offer (Approx 47,67,931 Eq Shares)
Retail	35% of the offer (Approx 11,125,173 Eq Shares)
Lead managers	IIFL Capital Services, HDFC Bank
Registrar to the issue	MUFG Intime India Pvt. Ltd

WHAT WE LIKE

The leading pure play provider of the EPC of solar-powered pump systems in Maharashtra under the PM-KUSUM Scheme in terms of pump systems installed as at July 31, 2025, with a presence in Haryana, Rajasthan, Uttar Pradesh, Chhattisgarh and Madhya Pradesh

Company is the leading pure play provider of the EPC of solar-powered pump systems in Maharashtra under the PM-KUSUM Scheme, with approximately 15% of the total solar-powered pump systems installed under the PM-KUSUM Scheme in Maharashtra as at July 31, 2025

Robust Order Book and a growing addressable market for solar-powered pump systems

As at August 15, 2025, company had an Order Book of ₹10,289.64 million consisting of an SPPS Order Book of ₹10,088.81 million and orders for rooftop solar systems of ₹200.83 million.

Track record of profitable financial performance and rapidly increasing growth

Company's revenue from operations increased from ₹2,850.26 million for Fiscal 2023 to ₹10,948.27 million for Fiscal 2025, representing a CAGR of 95.99%. Company's EBITDA (as defined in the notes to the table above) increased from ₹171.79 million for Fiscal 2023 to ₹1,996.86 million for Fiscal 2025, representing a CAGR of 240.94%. Company's profit for the year increased from ₹100.80 million for Fiscal 2023 to ₹1,332.09 million for Fiscal 2025, representing a CAGR of 263.53%. Company's EBITDA Margin has improved from 6.03% for Fiscal 2023 to 18.24% for Fiscal 2025, and company's PAT Margin has improved from 3.53% for Fiscal 2023 to 12.12% for Fiscal 2025



COMPANY BACKGROUND

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. Company 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 July 31, 2025, the five states of Maharashtra, Haryana, Rajasthan, Uttar Pradesh and Madhya Pradesh comprised 86% of the total number of solar-powered pump systems approved for subsidies under Component B of the PM-KUSUM Scheme. In addition, company is also empanelled under various state government schemes such as Maharashtra's Magel Tyala Saur Krushi Pump Yojana, Madhya Pradesh's Pradhan Mantri Krishak Mitra Surya Yojana and Chhattisgarh's Saur Sujala Yojana.

Company currently primarily provide the EPC for solar-powered pump systems, which comprises direct-to-beneficiary sales and sales to others. Direct-to-beneficiary sales comprise (i) the EPC of GK Energy brand solar-powered pump systems to farmers who chose company as their vendor on portals of agencies appointed by state governments (known as state nodal agencies or state implementing agencies ("SNAs/SIAs")) wherein the orders are placed with company by SNAs/SIAs under the PM-KUSUM Scheme and similar state government schemes, and (ii) the EPC of GK Energy brand solar dual water pump systems (solar-powered pump systems that include water storage) to local government bodies. Sales to others comprise the EPC of solar-powered pump systems under orders placed by customers directly with the Company.

The PM-KUSUM Scheme reflects the Central Government's commitment to provide energy and water security to farmers through the installation of solar-powered water pump systems for irrigation as an alternative to diesel-powered or electric grid-connected pump systems. The price of solar-powered pump systems is set through government tendering pursuant to a bidding process by empanelled vendors (with the lowest bid becoming the price all empanelled vendors must accept), with different prices depending on the size of the pump. Each state has its own tendering process, so the prices for the EPC of solar-powered pump systems may differ from state to state. As at July 31, 2025, 1,272,758 solar-powered pump systems had been approved under Component B of the PM-KUSUM Scheme, and as at that date empanelled providers had completed 848,330 of those orders. Company completed 62,559, or 7.37%, of those 848,330 orders. Apart from the PM-KUSUM Scheme, as at July 31, 2025, company have installed 34,539 other solar-powered pump systems.

Company also offer other EPC services, comprising (i) the erection and installation of water storage and distribution facilities under Jal Jeevan Mission, a Central Government scheme operated through urban local bodies, (ii) the supply and installation of various solar products for government agencies and (iii) rooftop solar solutions (together, "**Other EPC Services**"). In addition, company sell photovoltaic ("**PV**") cells and solar modules manufactured by third parties and other miscellaneous products ("**Trading Activities**").

As at August 15, 2025, company had an Order Book of ₹10,289.64 million consisting of an SPPS Order Book of ₹10,088.81 million and orders for rooftop solar systems of ₹200.83 million. Company define its "**SPPS Order Book**" as (i) the estimated value of the allocations for the EPC of solar-powered pump systems granted to company by SNAs/SIAs under the PM-KUSUM Scheme and similar state government schemes plus (ii) the work orders and confirmations received by company under all other EPC contracts for solar-powered pump systems, minus revenue already recognised from such allocations and other contracts as at the last day of the year/period. Before company entered into providing EPC services for solar-powered pump systems, company had been providing EPC services for rooftop solar-powered solutions, solar fencing, solar water heaters and solar-powered street lights. Company's expertise in solar-powered energy can be seen in company's selections in 2011 and 2012 to serve as consultants to projects funded by the United Nations Development Program and the Ministry of New and Renewable Energy to install solar water heaters and to develop performance measuring and testing standards for solar concentrator technology, respectively.

Building on company's success in the EPC of solar-powered pump systems and the opportunities being presented by the Central Government's and state governments' focus on renewable energy, company is planning to expand company's rooftop solar-powered solutions business and as at August 15, 2025, company have received orders to install 5.28 MW of rooftop solar systems. The Indian solar rooftop market has grown approximately 10 times from March 31, 2020 to March 31, 2025, a pace which will need to increase to meet the proposed government target of 40 GW by Fiscal 2026. As at June 30, 2025, India had approximately 18.8 GW of installed rooftop capacity. India added approximately 5.2 GW of installed rooftop capacity in Fiscal 2025, with Gujarat (32%), Maharashtra (24%), Kerala (10%) and Rajasthan (7%) accounting for 73% of this additional capacity. The rapid increase in capacity is attributable to, amongst other factors, increased consumer awareness, advancements in technology and proactive subsidy initiatives implemented by the Central and state governments. In January 2024, the residential rooftop segment received a boost from the launch of the PM Surya Ghar Yojana government scheme, which aims to provide solar-powered energy to 10 million households.



INVESTMENT RATIONALE

<i>Decentralised infrastructure and localised workforce enable company to operate across broad geographic areas in five states</i>	Company have a decentralised infrastructure, comprising 12 warehouses in three states as at August 30, 2025, and a localised workforce of 90 employees and 709 workmen as at March 31, 2025, which enable it to efficiently operate across broad geographic areas in five states. Company generally hire and train company's manpower locally, which enhances the local economy by providing jobs, better earnings and skill enhancement for local residents, while also contributing to company's operational efficiency. Company's decentralised warehouses also contribute to its operational efficiency. In addition, where there is less demand for solar-powered pump systems, company have flexible arrangements with its third-party installation and commissioning service providers to temporarily utilise their facilities for storage. Company's decentralised infrastructure and access to the storage facilities of its third-party installation and commissioning service providers reduce the time needed to install solar-powered pump systems and provide after-sales services, thus increasing its operational efficiency.
<i>Comprehensive support, from installation to after-sales service, thus ensuring a seamless experience for the farmer and increased customer satisfaction. Company believe increased customer satisfaction generates word-of-mouth publicity, which reduces its need for marketing</i>	Company's goal is to satisfy every customer by installing their solar-powered pump system in a timely manner and providing comprehensive after-sales support, thus ensuring a seamless experience for the customer. Under the PM-KUSUM Scheme and other state schemes, all solar-powered pump system vendors are required to provide a warranty for their installed solar-powered pump systems for five years. It is, therefore, critical that company is able to fix any pump systems that break down as quickly and cost-effectively as possible. All pump sets and modules that company purchase as part of its EPC services include warranty support from the manufacturer, and company also purchase insurance for each system that company install, which includes additional coverage not otherwise required under the PM-KUSUM Scheme.
<i>Experienced senior management with in-depth sector expertise</i>	Company believe that its position as the leading pure play EPC company installing solar-powered pump systems under the PM-KUSUM Scheme as at July 31, 2025 is largely attributable to the members of its senior management. Gopal Rajaram Kabra, its Chairman, Managing Director and Chief Executive Officer, drives its strategy and growth. He has over 18 years' experience in the solar power sector. He has served as the Secretary of the Solar Thermal Federation of India. .

OBJECTS OF OFFER

The Offer comprises the Offer for Sale and the Fresh Issue.

Fresh Issue

The details of the proceeds of the Fresh Issue are summarised as:

- Funding company's long-term working capital requirements
- General corporate purposes

RISKS

Company derived ₹10,873.63 million, ₹3,743.68 million and ₹2,580.93 million, equivalent to 99.32%, 91.07% and 90.55% of its 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 company's business, financial condition, results of operations and cash flows.

Source:RHP


Consolidated Financials
(Rs in Mn)

Financials	FY23	FY24	FY25
Total Revenue (A)	2850.26	4110.89	10948.27
Total Expenditure (B)	2678.47	3572.64	8951.41
EBIDTA	171.79	538.25	1996.86
EBIDTA Margin	6.03	13.09	18.24
Other Income	4.26	12.23	43.49
Depreciation	4.83	6.70	14.20
EBIT	171.22	543.78	2026.15
Interest	36.50	61.01	223.45
PBT	134.72	482.77	1802.70
Share of profit in Asso	0.00	0.00	0.00
PBIT	134.72	482.77	1802.70
Exceptional	0.00	0.00	0.00
PBT	134.72	482.77	1802.70
Tax	33.92	121.87	470.61
PAT	100.80	360.90	1332.09
NPM	3.54	8.78	12.17
ROE%	50.73	64.49	63.71
EPS	0.66	2.14	7.89
Eq Cap	13.00	13.00	340.28
Net Worth	198.68	559.58	2,090.93

(Source: RHP)

Peer Comparison

Company Name	Face Value	EPS	P/E	ROE %	NAV
GK Energy Limited	2.00	7.86	---	63.71	12.35
Peers					
Shakti Pumps (India) Limited	10.00	33.97	24.11	35.20	96.59
Oswal Pumps Limited	1.00	28.21	29.00	93.00	44.56



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