



IPO Note

POWERICA LIMITED

Mar 24th, 2026



Mar 24th, 2026**Details of the Issue**

Price Band	₹ 375 - ₹ 395
Issue Size	₹ 1,100 Cr
Face Value	₹ 5
Bid Lot	37
Listing on	BSE, NSE
Post Issue Mcap	₹ 4,998.60 Cr
Investment Range	₹ 13,875 - ₹ 14,615

Important Indicative Dates (2025)

Opening	24 - Mar
Closing	27 - Mar
Basis of Allotment	30 - Mar
Refund Initiation	01 - Apr
Credit to Demat	01 - Apr
Listing Date	02 - Apr

Lead Manager

ICICI Securities Ltd
IIFL Capital Services Ltd
Nuvama wealth Management Ltd

Offer Details

Offer Size	₹ 1,100 Cr
Fresh Issue	₹ 700 Cr
OFS	₹ 400 Cr

Type	In Rs Cr	No of Shares (Mn)		% of Issue
		Upper	Lower	
QIB	550	13.92	14.67	50
NII	165	4.18	4.40	15
Retail	385	9.75	10.27	35
Em- ploy.	-	-	-	-
Total	1,100	27.85	29.33	100

[Invest Now](#)**Company Profile**

Powerica Ltd is a power solutions company focused on diesel generator (DG) sets for both primary and backup applications, offering a wide capacity range from 7.5 kVA to 10,000 kVA to cater to diverse industry needs. Its core Generator Set division provides Cummins-powered DG sets across low (7.5-160 kVA), medium (180-500 kVA), and high (>500 kVA) capacities, supported by three manufacturing facilities in Bengaluru, Silvassa, and Khopoli. The company also operates a Wind Power division with 11 projects in Gujarat totaling 279.55 MW capacity as of March 31, 2025, and extends its portfolio into emission solutions through Retrofit Emission Control Devices (RECD) via its associate, Platino Automotive.

GEPL's Insights & Investment Thesis:

- Powerica Ltd focuses on manufacturing diesel generator sets and has a long-standing strategic relationship with Cummins and has collaborations with Hyundai, GE Vernova and Vestas.
- The company has reported modest financial performance with revenue growing at a CAGR of 5.6% and Profit After Tax growing at 28.5% between FY23-25. However, in FY25 and 1H FY26, the company's Free Cash Flow had been negative.
- Based on the FY25 earnings, relative to the company's paid-up capital, the issue is priced at a P/E ratio of 18.6x. We believe that the issue is fairly valued compared to its peers, however, due to modest financial performance and negative free cash flow, we recommend a "Avoid" rating for the issue.

Business Highlights & Services

Powerica has four decades of operating experience in the DG sets industry, the company has fully integrated business model spanning manufacturing, sales, SITC, and lifecycle O&M services, enabling strong control over quality, costs, and delivery timelines. Its wide product portfolio (7.5-10,000 kVA) across LHP, MHP, HHP and MSLG categories positions it to cater to diverse and mission-critical end-markets including data centres, infrastructure, industrials, and government, ensuring revenue diversification and resilience. The long-standing strategic relationship with Cummins (40+ years) and collaboration with Hyundai significantly strengthen its technological edge and product credibility, while partnerships with GE Vernova and Vestas provide a strong foothold in the fast-growing renewable energy segment, improving future optionality. Industry tailwinds remain robust, driven by persistent grid unreliability and a structural surge in demand for high-reliability backup power, particularly from data centres where power capacity is expected to grow at ~27% CAGR through FY30, alongside growth in telecom, manufacturing, and infrastructure. Its presence in high-capacity HHP and MSLG segments further positions it to benefit from increasing requirements for base-load and continuous power applications. Additionally, the company's repeat customer base, diversified sectoral exposure, and three strategically located manufacturing facilities enhance operational efficiency and scalability. Overall, the combination of strong industry tailwinds, deep OEM partnerships, backward-integrated operations, and emerging renewable energy exposure underpins a scalable growth trajectory with improving margin visibility and long-term sustainability.



The company has strong technical capabilities, integrated execution model, and high-quality, stable revenue streams across both DG set and renewable energy businesses. Its advanced manufacturing infrastructure, including CNC-based fabrication, in-house design capabilities, and use of 3D modelling, ensures precision engineering, product reliability, and faster project execution, while its end-to-end EPC and project management expertise enhances operational efficiency and scalability. In the wind power segment, the company demonstrates robust project development capabilities from resource assessment to commissioning, with disciplined risk mitigation practices such as micro-siting and wake effect analysis, leading to optimized asset utilization and timely execution. A skilled workforce further strengthens execution capabilities across segments. Importantly, the company benefits from a diversified customer base across industries, supporting revenue resilience, while its IPP wind portfolio is backed by long-term PPAs with highly rated counterparties such as Gujarat Urja Vikas Nigam Limited and Solar Energy Corporation of India, ensuring strong cash flow visibility, low receivable cycles (~20 days), and minimal credit risk. The combination of stable annuity-like income from renewable assets, repeat business in DG sets, and exposure to growing power and infrastructure demand positions the company for sustainable growth, improved financial predictability, and long-term value creation.

The company's growth is supported by strong structural tailwinds across DG sets and renewable energy, driven by rising power demand, grid instability, and increasing need for reliable backup across sectors such as data centres, infrastructure, and EV charging. Its established presence in DG sets and high-capacity MSLGs positions it to benefit from sustained demand for standby power solutions. In renewables, robust policy support, rising capacity additions, and opportunities across IPP and BoP EPC segments, along with partnerships with players like Solar Energy Corporation of India and GE Vernova, provide strong growth visibility. Additional levers such as wind-solar hybrid projects, expanding O&M opportunities, and a disciplined execution approach support scalable growth, margin stability, and predictable cash flows.

The company is focused on expanding into high-margin adjacencies and strengthening its position across allied and renewable-linked businesses, supported by strong execution capabilities and strategic partnerships. Its foray into defence through EMI-enabled shelters and containers, backed by in-house design, manufacturing, and approvals from agencies like Defence Research and Development Organization, opens up a niche, high-entry-barrier opportunity with scalability potential. Simultaneously, its partnership with Schneider Electric as an EcoXpert partner enhances its positioning in power distribution solutions, enabling participation in India's growing infrastructure and electrification demand. The company is also well placed to benefit from tightening emission norms (CPCB IV+), with its associate developing RECD solutions that address retrofit demand for existing DG sets, creating a new revenue stream driven by regulatory tailwinds. Long-standing alliances with global leaders such as Cummins and Hyundai continue to drive product innovation and market expansion, including access to international markets, while its collaboration with GE Vernova and agreement with Vestas strengthen its renewable energy pipeline and aftermarket positioning. Overall, the company's focus on diversification, regulatory-led opportunities, and deepening strategic partnerships supports scalable growth, margin expansion, and enhanced competitive positioning.

The company expansion strategy targeting high-growth renewable markets supported by favorable policies, rising energy demand, and industrialization, while its strategic partnerships with global leaders like GE and Vestas provide a strong execution edge, technological expertise, and market access; additionally, its focus on wind-solar hybrid projects enhances load factors, improves asset efficiency, and strengthens grid reliability, supporting better returns, while its ESG initiatives and carbon credit registrations add sustainability-led value and potential ancillary revenue streams; the company's proactive approach to monitoring regulatory changes reduces policy risks and enables early capture of incentives, and its flexible capital allocation strategy—through acquisitions, joint development agreements, and potential stake monetization provides avenues for value unlocking and capital recycling, collectively positioning it for scalable growth



Business division wise revenue breakup

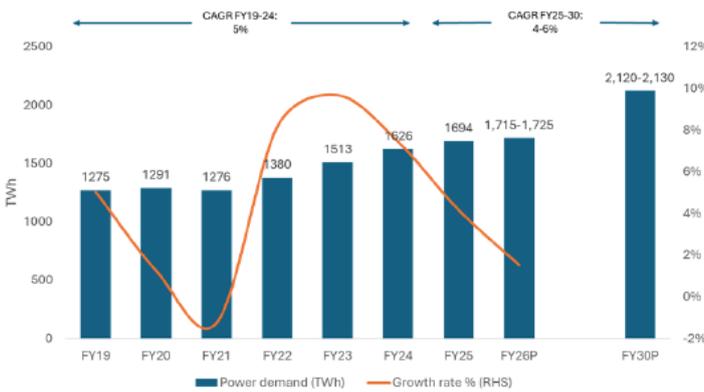
Particular	1HFY26		FY25		FY24		FY23	
	Amount (In Cr)	% of Total revenue	Amount (In Cr)	% of Total revenue	Amount (In Cr)	% of Total revenue	Amount (In Cr)	% of Total revenue
Generator set Business Division	1165	80.50%	2255	85.00%	1907	86.30%	1969	82.79%
DG sets powered by Cummins engines	920	63.60%	1868	70.39%	1570	71.04%	1350	56.77%
MSLG in association with Hyundai	74	5.10%	46	1.72%	83	3.78%	367	15.44%
Allied Business	171	11.79%	342	12.89%	253	11.48%	252	10.58%
Wind Power Business Division	282	19.50%	398	15.00%	303	13.70%	409	17.21%
IPP Business	124	8.57%	201	7.56%	219	9.90%	208	8.76%
EPC and O&M for BOP Business	158	10.93%	197	7.44%	84	3.80%	201	8.45%
Total Revenue	1447	100%	2653	100%	2210	100%	2378	100%

DG and Allied Business revenue breakup

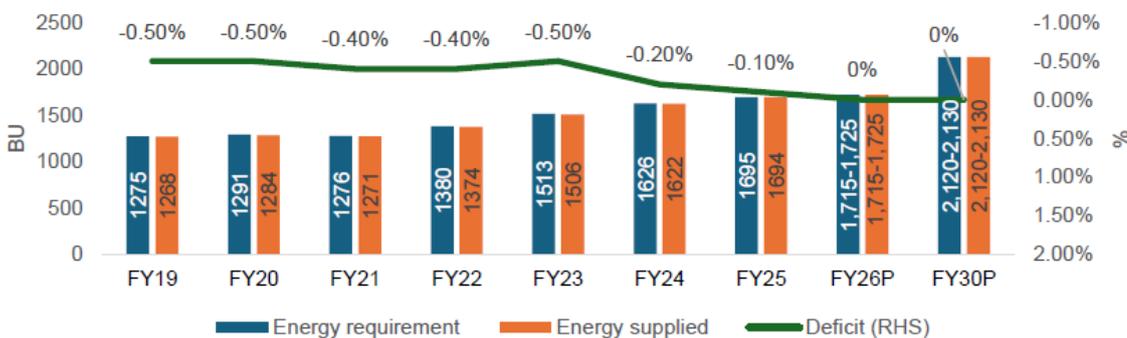
Particular	1HFY26		FY25		FY24		FY23	
	Amount (In Cr)	% of Total revenue	Amount (In Cr)	% of Total revenue	Amount (In Cr)	% of Total revenue	Amount (In Cr)	% of Total revenue
Revenue from Top 10 Customer from the DG sets powered by cummins engines business and Allied Business Customer	248	22.74%	501	22.69%	400	21.92%	317	19.77%
Total Revenue from DG sets powered by Cummins engines business and Allied Business	1091	17.14%	2209	18.89%	1824	18.09%	1602	13.32%
Total Revenue	1339	40%	2711	42%	2224	40%	1918	33%

Industry Outlook

Snapshot of Indian power demand



Aggregate power demand supply and deficit over fiscals 2019-2030P





Peers Comparison

Name of the company	Face Value (₹)	Total Revenue (₹ Cr)	EPS	NAV (₹)	P/E (x)	RoNW(%)
Powerica Ltd	5	265	15.26	99.76	NA	15.37
Peers Group						
Cummins India Ltd	2	1,039	72.15	272	64.13	26.45
Kirloskar Oil Engines Ltd	2	635	33.60	213	43.24	15.85
NTPC Green Energy Ltd	10	221	0.67	21.88	129	2.58
Acme Solar Holding Ltd	2	141	4.53	74.54	50.74	5.59
Adani Green Energy Ltd	10	1,121	8.37	76.62	102	11.90

Company's Competitive Strength

- Established Position in the Generator Set Market.
- Collaborations and Alliances with Established Industry Players.
- Strong Technical and Execution Capabilities.
- Large and Diversified Customer Base.
- Experienced and Proven Management Team, Promoters and Board of Directors.
- Balanced Business Portfolio with Strong Financial Performance.

Key Strategies Implemented by Company

- Capitalize on Continued Demand for Generator Sets.
- Continue to Develop the Wind Power Business and diversify further into wind solar hybrid projects.
- Continue to Develop the Allied Businesses and RECD Business through our Associate.
- Further Develop and Strengthen the Alliances to Improve our position in India.
- Continuously evaluate expansion opportunities, considering policy and consumer base attractiveness

Particular (INR in Cr)	1HFY26	FY25	FY24	FY23
Equity Capital	54	14	14	17
Reserves and Surplus	1,159	1,071	899	778
Net Worth	1,213	1,085	912	795
Revenue	1,447	2,653	2,210	2,378
Growth (%)		20%	-7%	
EBITDA	220	346	362	333
EBITDAM (%)	15%	13%	16%	14%
PAT	135	176	226	106
PATM (%)	9.3%	6.6%	10.2%	4.5%
ROE (%)	11.6%	17.5%	26.5%	-
ROCE (%)	13.9%	27.0%	43.5%	-



Notes

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