

Retail Research	IPO Note
Sector: Capital Goods	Price Band (Rs): 375 – 395
20 <sup>th</sup> March 2026	Recommendation: SUBSCRIBE for Long Term

## Powerica Ltd

### Company Overview:

**Powerica Ltd (Powerica)** is an integrated power solutions provider specializing in diesel generator sets (DG sets), for both primary and standby applications. As one of the Original Equipment Manufacturers (OEMs) for Cummins India Ltd, the company has maintained a strong relationship with them for over four decades. Powerica manufactures DG sets along with auxiliary items, including acoustic enclosures, fuel and exhaust systems, and customized control panel systems. Building on the experience in the Generator Set Business, the company entered the wind power sector in 2008 as an Independent Power Producer (IPP). Subsequently, it developed capabilities as an Engineering, Procurement and Construction (EPC) contractor as well as an Operation and Maintenance (O&M) service provider for Balance of Plant (BoP). The company through its associate company Platino Automotive, is engaged in the Retrofit Emission Control Devices (RECDs) business, these RECD products provide comprehensive solutions for reducing emissions from existing DG sets.

### Key Highlights:

**1. Established position in the Generator Set Market:** Powerica is engaged in the business of DG sets. It is present across a wide suite of DG sets including Low, Medium and High Horse Power with capacities ranging from 7.5 kVA to 3,750 kVA. In order to widen its offerings in the Generator Sets Business, the company expanded into the Medium Speed Large Generators (MSLG) business in 1996 in association with Hyundai with capacities ranging from 3,000 kVA to 10,000 kVA. The company owns and operates three manufacturing facilities for its DG sets business located at Bengaluru in Karnataka, Silvassa in Dadra and Nagar Haveli and Khopoli in Maharashtra. The company has customers which operate across diverse sectors and has been able to generate repeat business.

**2. Strong Technical and Execution Capabilities:** Powerica has a strong technical expertise and execution prowess. With cutting-edge technology, and a skilled workforce, the company excels in designing, developing, and delivering quality products. For the Wind Power business, the company has an experienced in-house team which oversees the project lifecycle, including design, sizing, engineering, development, construction, and operations of its wind power projects, enabling Powerica to ensure quality control and cost efficiency.

**3. Strong Relationships with established industry players:** Powerica has strong relationships with established global players which aids its operations. Cummins India supplies the Diesel Engines and alternators for its DG Sets. Hyundai Heavy Industries supplies MSLGs and Schneider Electric enables it to manufacture and service PRISMA control panels and Eco-Xpert LV Panel and Partner certification. GE Vernova and Vestas Wind Technology are key OEMs which supply multi-model Wind Turbine Generator (WTG) and its spare parts for its wind power projects.

**Valuation:** At the upper band of issue price of Rs 395, the IPO is valued at 19.4x annualized FY26 earnings on post-issue capital. Although the revenue has grown only at a mid-single digit CAGR of 5.6% between FY23-FY25, growth has picked up during FY26. Demand for Diesel Generator sets remains strong led by data centers and backup power applications. The company has strong long term relationships with Cummins, Hyundai, Schneider Electric, GE Vernova and Vestas. We recommend investors to SUBSCRIBE to the issue for Long Term.

Issue Details	
Date of Opening	24 <sup>th</sup> March 2026
Date of Closing	27 <sup>th</sup> March 2026
Price Band (Rs)	375 – 395
Offer for sale (Rs cr)	400.0
Fresh Issue (Rs cr)	700.0
Issue Size (Rs cr)	1,100.0
No. of shares issued at upper price band	2,78,48,101
Face Value (Rs)	5.0
Post Issue Market Cap (Rs cr)	4,781 – 4,999
BRLMs	ICICI Securities Ltd, IIFL Capital Services Ltd, Nuvama Wealth Management Ltd
Registrar	MUFG Intime India Pvt Ltd
Bid Lot	37 shares and in multiple thereof
QIB shares	50%
Retail shares	35%
NII shares	15%
Employee Discount. (Rs)	37.0

Objects of Issue	
Particulars	Estimated utilization from Net Proceeds (Rs cr)
Prepayment or Repayment of certain outstanding borrowings availed by the company.	525.0
General corporate purposes*	175.0
<b>Net proceeds from the issue</b>	<b>700.0</b>

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	10,88,14,204	99.9
Public & Others	11,196	0.0
<b>Total</b>	<b>10,88,25,400</b>	<b>100.0</b>

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	9,86,87,622	78.0
Public & Others	2,78,59,297	22.0
<b>Total</b>	<b>12,65,46,919</b>	<b>100.0</b>

Promoters selling through OFS	No of shares @ Upper Price Band
Naresh Oberoi Family Trust	70,88,608
Kabir & Kimaya Family Pvt Trust	30,37,975
<b>Total</b>	<b>1,01,26,582</b>

Source: RHP, SBICAP Securities Research

## Key Financials

Particulars (Rs cr)	FY23	FY24	FY25	1HFY26
Revenue from operations	2,378	2,210	2,653	1,447
EBITDA	347	362	337	214
PAT	106	226	167	129
EBITDA Margin (%)	14.6	16.4	12.7	14.8
PAT Margin (%)	4.5	10.2	6.3	8.9
RoCE (%)	23.9	35.0	20.1	-
RoE (%)	13.4	24.8	15.4	-
P/E (x)*	40.4	19.0	25.8	16.7**

\*Note: Pre-issue P/E based on upper price band

\*\* 1HFY26 P/E annualized

Source: RHP, SBICAP Securities Research

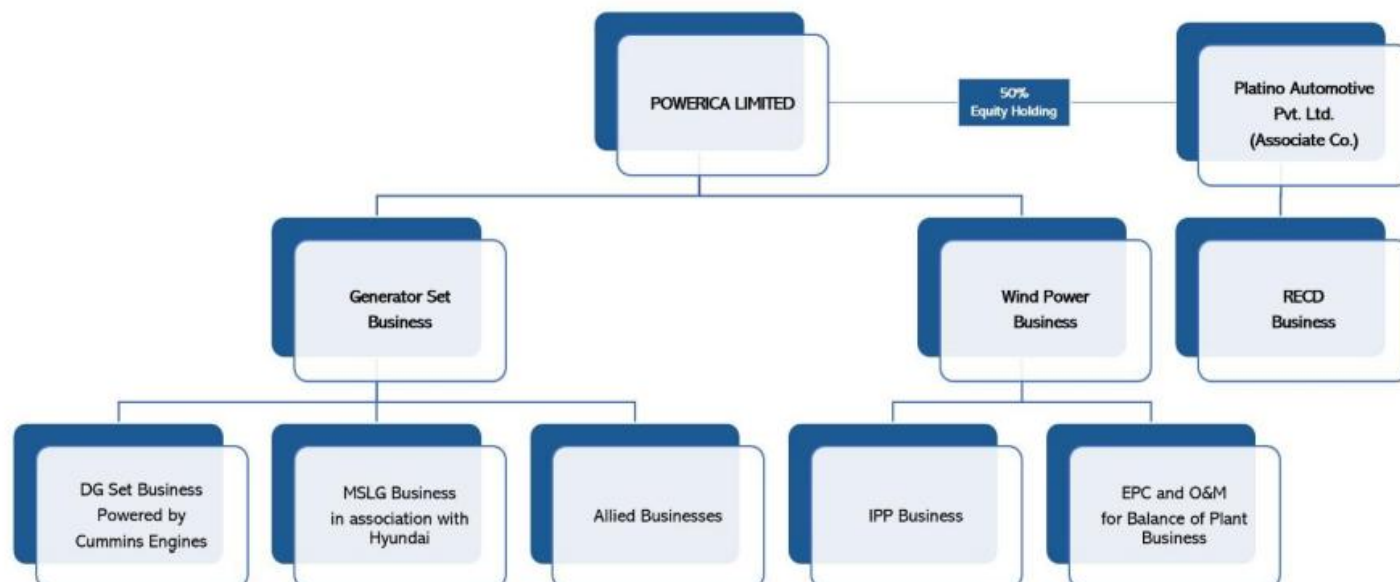
## Risk Factors

- **Segment concentration:** During FY23/FY24/FY25/1HFY26, the company derived 82.8%/86.3%/85.0%/80.5% of its revenue from its Generator set business. Any negative developments affecting this segment may have an adverse impact on the company's performance.
- **Collaboration dependent business model:** The company is significantly reliant on its business collaborations for the supply of critical products and services that drive the operations of its generator business. It depends on Cummins as the supplier of engines and alternators for the DG sets and on Hyundai for the MSLG sets.
- **IPP operations reliance on OEMs:** The IPP business of the company relies on key relationships with OEMs to facilitate supply of components and effective O&M services across most of its Operational Wind Power projects. Its key Wind Turbine Generators (WTG) suppliers are Vestas Wind Technology India Private Ltd and GE Renewable R&D India Private Ltd.
- **Mismatch between tenure of PPA and Land Lease:** Some of the land lease agreements for the company's wind power projects have shorter terms than the corresponding PPA of the respective projects. The expiry and non-renewal of such land lease agreements prior to the end of the relevant PPA could potentially result in the premature termination of the corresponding PPA.

## Growth Strategies

- Capitalize on continued demand for Diesel Generator Sets.
- Continue to develop the Wind Power business and diversify further into Wind Solar hybrid projects.
- Develop and expand the RECD Business through its Associate as the demand increases.
- Further develop and strengthen alliances with global partners to Improve its position in India.
- Continuously evaluate expansion opportunities, considering policy and consumer base attractiveness.

## Business Structure



Source: RHP, SBICAP Securities Research

## Revenue Mix – Business Segment

Particular	FY23		FY24		FY25		1HFY26	
	Rs cr	as a % of total revenue	Rs cr	as a % of total revenue	Rs cr	as a % of total revenue	Rs cr	as a % of total revenue
Cummins engine DG sets	1,350	56.8	1,570	71.0	1,868	70.4	921	63.6
Hyundai MSLG	367	15.4	83	3.8	46	1.7	74	5.1
Allied Business	252	10.6	254	11.5	342	12.9	171	11.8
<b>Generator Set Business</b>	<b>1,969</b>	<b>82.8</b>	<b>1,907</b>	<b>86.3</b>	<b>2,255</b>	<b>85.0</b>	<b>1,165</b>	<b>80.5</b>
IPP Business	208	8.8	219	9.9	201	7.6	124	8.6
EPC and O&M	201	8.5	84	3.8	197	7.4	158	10.9
<b>Wind Power Division</b>	<b>409</b>	<b>17.2</b>	<b>303</b>	<b>13.7</b>	<b>398</b>	<b>15.0</b>	<b>282</b>	<b>19.5</b>
<b>Total Revenue from Operations</b>	<b>2,378</b>	<b>100.0</b>	<b>2,210</b>	<b>100.0</b>	<b>2,653</b>	<b>100.0</b>	<b>1,447</b>	<b>100.0</b>

Source: RHP, SBICAP Securities Research

## Segmental Revenue and EBITDA

Particular (Rs cr)	FY23	FY24	FY25	1HFY26
Revenue from DG Set business	1,968.9	1,907.2	2,255.2	1,165.2
EBITDA	204.9	245.4	188.3	117.4
EBITDA Margin (%)	10.4	12.9	8.4	10.1
Revenue from Wind Power Business	409.4	302.8	398.1	282.3
EBITDA	163.6	142.6	163.5	105.2
EBITDA Margin (%)	40.0	47.1	41.1	37.3

Source: RHP, SBICAP Securities Research

## Segmental Operational Measures

Particulars	FY23	FY24	FY25	1HFY26
<u>Diesel Generator Business</u>				
Number of Cummins Engine powered DG Sets sold (units)	8,431	8,795	7,689	4,194
<u>Wind Business</u>				
Installed Capacity (MW)	306.0	279.6	279.6	279.6
Contracted Capacity (MW)*	-	-	100.0	100.0
Average CUF (%)	26.1	28.4	26.8	32.8
Average Plant Availability (%)	98.7	98.8	98.3	98.7

\*Power Purchase Agreements have been signed with customers but are not yet operational

Source: RHP, SBICAP Securities Research

## Installed Capacity and Utilization

Particular		FY23		FY24		FY25		1HFY26	
Location	Products	Capacity*	Capacity Utilisation (%)	Capacity*	Capacity Utilisation (%)	Capacity*	Capacity Utilisation (%)	Capacity*	Capacity Utilisation (%)
Bengaluru	DG Sets	10,800	72.1	10,800	72.9	8,956	74.2	8,956	82.2
Silvassa	DG Sets	1,452	40.4	1,452	61.1	1,320	78.6	1,320	83.0
	PRISMA Control Panels	2,000	58.8	2,500	53.8	3,000	72.0	3,000	78.0
Khopoli	EMI-EMC/MIL DG	50	42.0	50	100.0	50	22.0	50	-
	EMI-EMC Shelter & Containers	110	30.0	110	18.2	110	23.6	110	52.7
	Canopy	1,800	70.2	1,800	48.4	1,800	80.6	1,800	86.3

\*Installed Capacity in Units per year

## Wind Power Business - Plant Load Factor (Operational IPP Assets)

Particulars	FY23	FY24	FY25	1HFY26
Average Plant Availability (%)	98.68	98.80	98.30	98.72
Average Internal Grid Availability (%)	99.23	99.67	99.59	99.30
Average External Grid Availability (%)	99.23	99.82	99.68	99.67
Average Plant Load Factor (%)	26.09	28.36	26.78	32.84

## Wind Power - EPC and O&M projects

As of 30<sup>th</sup> Sep'25

Particulars	Number of Projects	Aggregate Installed Capacity (MW)
<b>EPC - Completed</b>		
EPC Project for Powerica	7	254.5
EPC Project for other IPPs in India	5	195.9
<b>EPC – Under Construction</b>		
EPC Projects for other IPPs in India	2	435.6
<b>O&amp;M Projects</b>		
Operational	10	296.5

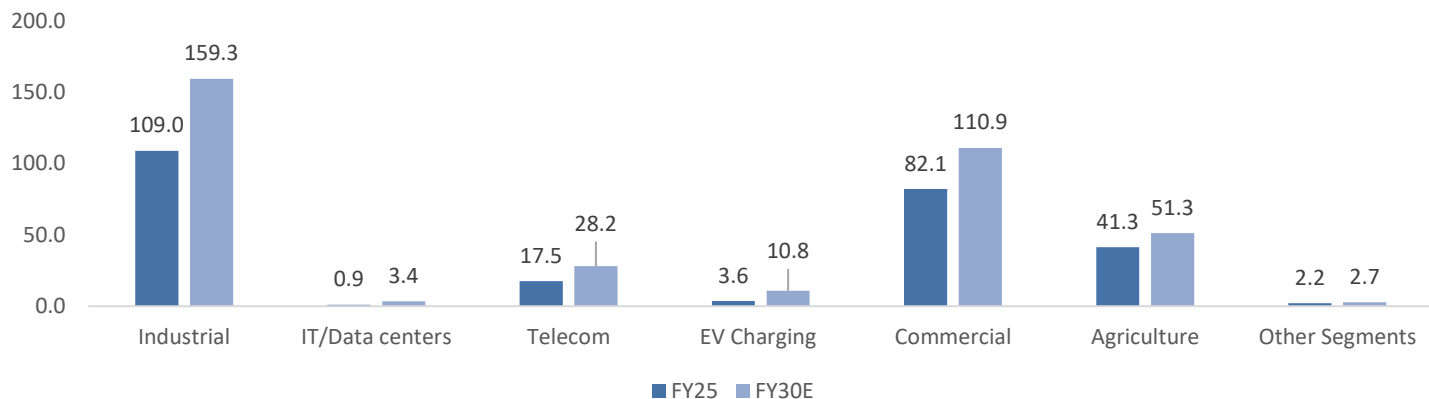
## Wind Power - IPP projects

Project Name/Location	Capacity (MW) (Wind Power)	Capacity (MW) (Solar)
<b>Operational</b>		
<b>12 projects across Gujarat</b>	<b>330.85</b>	-
<b>Under-construction</b>		
Orchid - II SECI XVII/Gujarat	52.70 (17 x 3.1)	-
<b>Total</b>	<b>52.7</b>	-
<b>Pipeline Projects</b>		
Project Alpha/ Gujarat	50.0	-
Project Beta/ Gujarat	100.0	30.0
Project Gama/ Gujarat	100.0	-
<b>Total</b>	<b>250.0</b>	<b>30.0</b>

Source: RHP, SBICAP Securities Research

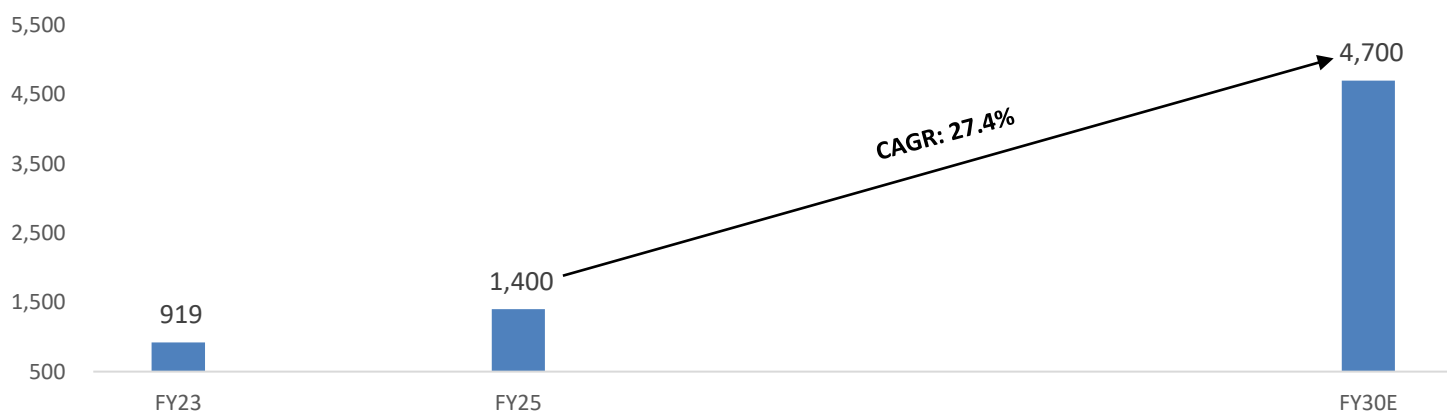
## Industry Overview

### India - Industry-wise Power Demand (GW)



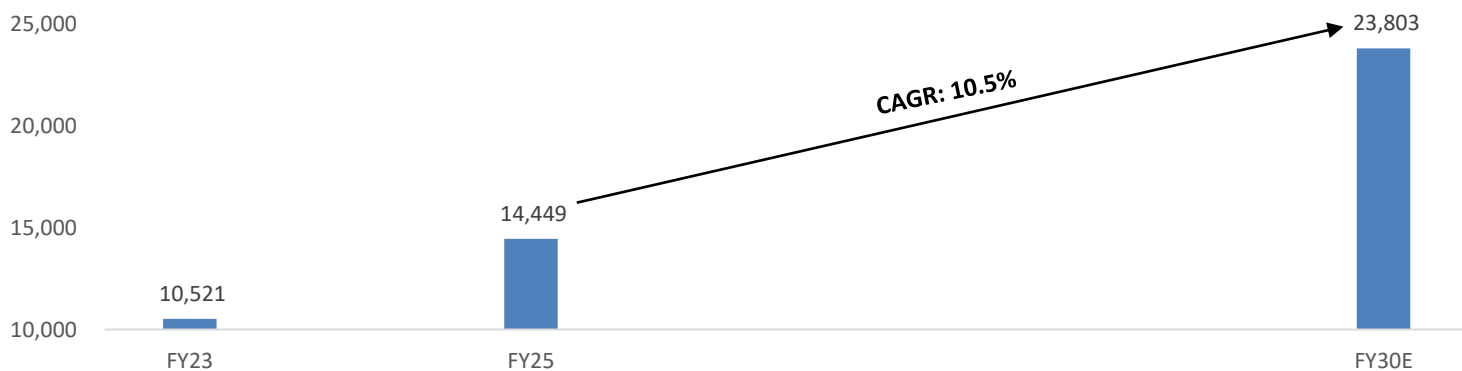
Source: RHP, SBICAP Securities Research

### India - Data Center operational capacity (MW)



Source: RHP, SBICAP Securities Research

### India - Diesel Generator market-size (Rs Cr)



Source: RHP, SBICAP Securities Research

## Financial Snapshot

INCOME STATEMENT				
Particulars (Rs cr)	FY23	FY24	FY25	1HFY26
<b>Revenue from Operations</b>	<b>2,378</b>	<b>2,210</b>	<b>2,653</b>	<b>1,447</b>
<b>YoY growth</b>	-	-7.1%	20.1%	-
Cost Of Revenues (incl. Stock Adj.)	1,568.3	1,437.7	1,814.2	899.4
<b>Gross Profit</b>	<b>810</b>	<b>772</b>	<b>839</b>	<b>548</b>
<b>Gross margin</b>	<b>34.1%</b>	<b>34.9%</b>	<b>31.6%</b>	<b>37.9%</b>
Employee Cost	95	113	114	67
Other Operating Expenses	368	296	388	267
<b>EBITDA</b>	<b>347</b>	<b>362</b>	<b>337</b>	<b>214</b>
<b>EBITDA margin</b>	<b>14.6%</b>	<b>16.4%</b>	<b>12.7%</b>	<b>14.8%</b>
Other Income	44	147	58	27
Interest Exp.	56	41	32	12
Depreciation	136	128	116	54
<b>PBT</b>	<b>200</b>	<b>341</b>	<b>246</b>	<b>175</b>
Exceptional item	-	-	-	-
Tax	79	115	79	47
<b>PAT (post Minority Int.)</b>	<b>106</b>	<b>226</b>	<b>167</b>	<b>129</b>
<b>PAT margin</b>	<b>4.5%</b>	<b>10.2%</b>	<b>6.3%</b>	<b>8.9%</b>
<b>EPS (Rs)</b>	<b>9.8</b>	<b>20.8</b>	<b>15.3</b>	<b>11.8</b>

BALANCE SHEET				
Particulars (Rs cr)	FY23	FY24	FY25	1HFY26
<b>Assets</b>				
Net Block	1,077	931	840	801
Capital WIP	4	23	352	429
Intangible Assets	6	7	7	7
Goodwill	5	5	5	5
Right of use assets	4	8	14	17
Other Non-current Assets	92	72	73	227
<b>Current Assets</b>				
Current Investment	325	305	355	343
Inventories	203	270	207	315
Trade receivables	262	318	399	342
Cash and Bank Balances	31	33	43	86
Short-term loans and advances	1	1	1	1
Other Current Assets	116	112	120	157
<b>Total Current Assets</b>	<b>938</b>	<b>1,039</b>	<b>1,124</b>	<b>1,244</b>
<b>Current Liabilities &amp; Provisions</b>				
Trade payables	235	305	264	387
Other current liabilities	668	491	510	279
Short-term provisions	1	1	1	1
<b>Total Current Liabilities</b>	<b>904</b>	<b>798</b>	<b>774</b>	<b>668</b>
<b>Net Current Assets</b>	<b>33</b>	<b>241</b>	<b>350</b>	<b>576</b>
<b>Total Assets</b>	<b>1,221</b>	<b>1,287</b>	<b>1,641</b>	<b>2,062</b>
<b>Liabilities</b>				
Share Capital	17	14	14	54
Reserves and Surplus	778	899	1,071	1,159
<b>Total Shareholder's Funds</b>	<b>795</b>	<b>912</b>	<b>1,085</b>	<b>1,213</b>
Minority Interest	-	(0)	9	13
<b>Total Debt</b>	<b>279</b>	<b>178</b>	<b>301</b>	<b>572</b>
Long Term Provisions	4	4	5	6
Lease Liabilities	-	5	11	14
Other Long-Term Liabilities	30	18	25	25
Net Deferred Tax Liability	114	170	205	219
<b>Total Liabilities</b>	<b>1,221</b>	<b>1,287</b>	<b>1,641</b>	<b>2,062</b>

CASH FLOW STATEMENT				
Particulars (Rs cr)	FY23	FY24	FY25	1HFY26
Cash flow from Operating Activities	252	283	247	220
Cash flow from Investing Activities	(94)	(14)	(337)	(442)
Cash flow from Financing Activities	(165)	(268)	86	256
Free Cash Flow	194	31	(85)	(222)
Capex	(59)	(252)	(332)	(441)

RATIOS			
Particulars	FY23	FY24	FY25
<b>Profitability</b>			
Return on Capital Employed	23.9%	35.0%	20.1%
Return on Equity	13.4%	24.8%	15.4%
<b>Margin Analysis</b>			
Gross Margin	34.1%	34.9%	31.6%
EBITDA Margin	14.6%	16.4%	12.7%
Net Profit Margin	4.5%	10.2%	6.3%
<b>Short-Term Liquidity</b>			
Current Ratio (x)	0.8	1.2	1.3
Quick Ratio (x)	0.7	0.9	1.1
Avg. Days Sales Outstanding	40	53	55
Avg. Days Inventory Outstanding	47	68	42
Avg. Days Payables	42	60	42
Fixed asset turnover (x)	2.2	2.3	3.1
Debt-service coverage (x)	0.8	1.7	0.8
<b>Long-Term Solvency</b>			
Net Debt / Equity (x)	0.4	0.2	0.3
Interest Coverage Ratio (x)	4.6	9.4	8.6
<b>Valuation Ratios*</b>			
EV/EBITDA (x)	13.1	12.3	13.5
P/E (x)	40.4	19.0	25.8
P/B (x)	5.4	4.7	4.0
EV/Sales (x)	1.9	2.0	1.7
Mkt Cap/Sales (x)	1.8	1.9	1.6

*\*Valuation ratios are based on pre-issue capital at the upper price band*

*Source: RHP, SBICAP Securities Research*

## Peer Comparison – FY25

Particulars (Rs cr)	Powerica Ltd	Cummins India Ltd	Kirloskar Oil Engines Ltd
CMP (Rs)	395	4,718	1,436
Sales	2,653	10,391	6,349
EBITDA	337	2,080	1,185
Net Profit	167	1,995	444
Mkt Cap.	4,999	1,30,772	20,868
Enterprise Value	4,784	1,29,012	25,330
EBITDA Margin (%)	12.7	20.0	18.7
Net Profit Margin (%)	6.3	19.2	7.0
RoE (%)	22.2	25.3	14.4
RoCE (%)	18.8	24.0	12.2
P/E (x)	19.4	65.5	47.0
EV/EBITDA (x)	11.2	62.0	21.4
P/Sales (x)	1.7	12.6	3.3
EV/Sales (x)	1.7	12.4	4.0

Source: RHP, Exchange Filings, SBICAP Securities Research

For Powerica Ltd, the Market Cap, P/E(x), EV/EBITDA (x), EV/Sales (x), RoE and RoCE are calculated on post-issue equity share capital based on the upper price band and annualized numbers

CMP for peer companies is closing price as of 18<sup>th</sup> March, 2026

**SBICAP Securities Limited**

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SEBI Registration No.: Stock Broker: INZ000200032 | CDSL: IN-DP-314-2017 | NSDL: IN-DP-NSDL-369-2014 | Research Analyst: INH000000602

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