



A PROMISE FOR POWER

SMC Ranking
★ ★ ☆ ☆ ☆ (2/5)

Issue Highlights

Industry	Power
Offer for sale (Shares)	10,126,582
Fresh Issue (Shares)	17,721,518
Net Offer to the Public	27,848,100
Issue Size (Rs. Cr.)	1044-1100
Price Band (Rs.)	375-395
Offer Date	24-Mar-26
Close Date	27-Mar-26
Face Value	5
Lot Size	37

Issue Composition

	In shares
Total Issue for Sale	27,848,100
QIB	13,924,050
NIB	4,177,215
Retail	9,746,835

About the company

Powerica Limited is a power solutions provider specializing in diesel generator (DG) sets for both prime and backup applications, offering a comprehensive range from 7.5 kVA to 10,000 kVA to meet diverse industry needs. Its Generator Set Division manufactures DG sets powered by Cummins engines, categorized into low horsepower (7.5–160 kVA), medium horsepower (180–500 kVA), and high horsepower (above 500 kVA), supported by three manufacturing facilities located in Bengaluru, Silvassa, and Khopoli. In addition, the company operates a Wind Power Division, which, as of March 31, 2025, manages 11 wind energy projects in Gujarat with a total installed capacity of 279.55 MW. Powerica also offers emission control solutions through Retrofit Emission Control Devices (RECD) via its associate company, Platino Automotive.

Strengths

Established Position in the Generator Set Market: Powerica has a well-established presence in the generator set market, backed by over four decades of experience since 1984. The company offers a comprehensive portfolio of DG sets ranging from 7.5 kVA to 10,000 kVA across low, medium, and high horsepower categories, supported by end-to-end capabilities spanning manufacturing, supply, installation, and after-sales services. Its long-standing OEM relationship with Cummins, along with its collaboration with Hyundai for medium speed large generators, strengthens its product offering. With three manufacturing facilities in Bengaluru, Silvassa, and Khopoli, the company ensures quality control, cost efficiency, and operational agility. A diversified customer base across key industries, coupled with strong repeat business, supports growth, while rising power demand and data centre expansion position the company to benefit from favorable industry trends.

Collaborations and Alliances with Established Industry Players:

Powerica's strategic collaborations with leading global players enhance its technical capabilities and expand its product portfolio across both generator and renewable energy segments. Its long-standing association with Cummins supports joint planning and market strategies, while its partnership with Hyundai strengthens its medium speed large generator capabilities through integrated engineering and O&M solutions. In the renewable space, partnerships with GE Vernova and Vestas have enabled the development of multiple wind projects and strengthened aftermarket services. Additional collaborations with 8.2 Consulting AG and Schneider Electric further enhance its engineering and manufacturing capabilities. These long-term alliances reinforce the company's credibility, support technological advancement, and position it to capitalize on growing demand for reliable and sustainable power solutions.

Shareholding Pattern (%)

Particulars	Pre-issue	Post-issue
Promoters & promoters group	99.99%	77.99%
QIB	0.00%	11.01%
NIB	0.01%	3.30%
Retail	0.00%	7.70%
Total	100.00%	100.00%

*calculated on the upper price band

Objects of the Issue

The Company proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Prepayment/repayment of certain outstanding borrowings availed by the Company, in part or full
2. General corporate purposes

Book Running Lead Manager

- ICICI Securities Limited
- IIFL Capital Services Limited
- Nuvama Wealth Management Limited

Name of the registrar

- MUFG Intime India Private Limited

Strong Technical and Execution Capabilities: The company's strong technical foundation is supported by advanced manufacturing infrastructure, in-house engineering expertise, and a skilled workforce, enabling the delivery of reliable and customized power solutions. It leverages CNC-based fabrication systems, precision engineering, and stringent quality processes for manufacturing DG sets and enclosures, along with in-house design and 3D modelling capabilities for complex projects. Its expansion into the medium speed large generator segment has strengthened EPC execution capabilities. In the wind power segment, the company manages the complete project lifecycle, from resource assessment to commissioning and operations, ensuring efficiency and quality control. Detailed planning, including wind data analysis and micro-siting, further enhances energy optimization and reduces operational risks.

Large & Diversified Customer Base: Powerica benefits from a broad and diversified customer base spanning sectors such as infrastructure, manufacturing, agriculture, IT/data centres, government, defence, and rentals, reducing reliance on any single industry. The DG business maintains low customer concentration, with the top ten customers contributing a modest share of revenue, reflecting a well-distributed demand base. Repeat orders and customized turnkey solutions support long-term relationships. In the wind power segment, long-term power purchase agreements with financially strong counterparties ensure predictable cash flows, low credit risk, and stable revenue visibility. This diversified mix strengthens revenue stability, improves working capital efficiency, and supports sustained growth.

Balanced Business Portfolio with Strong Financial Performance: Powerica's balanced business model, comprising its generator set and wind power divisions, provides a combination of growth and stable cash flows. The generator segment is well-positioned to benefit from rising demand for backup power across sectors such as data centres, telecom, EV infrastructure, and government, supported by increasing power consumption and grid challenges. At the same time, the wind power business offers steady and predictable revenues through long-term agreements. This diversified portfolio enhances financial resilience, supports prudent leverage, and enables the company to fund future growth while maintaining a stable balance sheet.

Strategies

Capitalize on Continued Demand for Generator Sets: Powerica aims to leverage the sustained demand for generator sets driven by economic growth, infrastructure expansion, grid instability, and the increasing need for reliable backup power across critical sectors such as hospitals, data centres, commercial establishments, and industrial facilities. Rising urbanisation, expanding infrastructure, and persistent power reliability issues are expected to support continued adoption of DG sets, UPS systems, and hybrid solutions. The growth of EV charging infrastructure further creates demand for dependable standby power. Additionally, increasing electricity consumption and industrial activity are expected to drive demand for high-capacity medium speed large generators, particularly in sectors requiring uninterrupted power. With its diversified product portfolio and turnkey capabilities, the company is well positioned to address both standby and primary power requirements across industries and remote applications.

Expansion of Wind Power and Diversification into Hybrid Projects: Powerica plans to expand its wind power portfolio and diversify into wind-solar hybrid projects to

capitalize on India's growing renewable energy opportunity. Supported by strong policy initiatives and significant capacity addition targets, the company is strengthening its project pipeline through development, EPC, and O&M capabilities. Its partnership with GE Vernova for a large wind-solar hybrid project in Gujarat, along with other opportunities, enhances its growth visibility. The company aims to optimize project costs through scale, disciplined execution, and in-house capabilities, while hybrid projects are expected to improve efficiency and grid stability. It also focuses on enhancing operational performance through digitalization, predictive maintenance, and real-time monitoring, while expanding aftermarket services to drive long-term value.

Growth of Allied and RECD Businesses: Powerica intends to strengthen its allied businesses and expand the RECD segment through its associate, leveraging its engineering expertise and industry relationships. The company is focusing on defence-related solutions such as EMI-enabled shelters and containers, supported by in-house capabilities and regulatory approvals, while also expanding manufacturing capacity. As a Schneider Electric EcoXpert partner, it is enhancing its presence in low-voltage panel manufacturing and distribution. Additionally, through Platino Automotive, the company is scaling its RECD business to address stricter emission norms and rising environmental concerns related to diesel generators. With required certifications and end-to-end capabilities, this segment is well positioned to benefit from increasing demand for emission control solutions, including potential export opportunities.

Strengthening Strategic Alliances: Powerica aims to deepen and expand its strategic partnerships with global players such as Cummins, Hyundai, GE Vernova, and Vestas to strengthen its competitive position. Its long-standing relationship with Cummins supports product innovation and market alignment, while its collaboration with Hyundai enhances its capabilities in medium speed generator solutions and opens international opportunities. In the renewable segment, partnerships with GE Vernova and Vestas support project development, capacity expansion, and aftermarket services. Through these alliances, the company seeks to access advanced technologies, diversify its offerings, and expand its presence in both domestic and global markets.

Evaluating Expansion Opportunities: Powerica continues to evaluate expansion opportunities across markets with favourable policies, strong energy demand, and attractive growth potential, particularly in renewable energy. The company undertakes detailed assessments of regulatory frameworks, incentives, and demand dynamics to identify viable opportunities. It also plans to integrate wind and solar projects to enhance efficiency and grid reliability where policy support exists. Strategic partnerships facilitate market entry and operational scalability, while the company remains committed to ESG initiatives, including carbon credit programs. Additionally, it remains open to acquisitions, joint ventures, and selective divestments to fund growth and adapt to evolving regulatory and market conditions.

Risk Factors

1. The company relies on power purchase agreements (PPAs) for revenue, and unfavorable terms may affect cash flows and operations.
2. The company faces credit risk, as delays or defaults in customer payments can impact financial performance and cash flows.
3. The company has unsecured borrowings that are repayable on demand, creating liquidity risk.

4. The wind power portfolio is largely concentrated in Gujarat, exposing the business to region-specific risks.
5. Fixed price contracts in the wind power business may lead to cost overruns and impact profitability.
6. Past delays and discrepancies in regulatory filings may result in penalties and affect reputation and operations.

Peer Comparison

Co_Name	Total Income	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Cummins India	11414.66	2241.79	84.02	54.89	16.19	284.81	2	4611.75	127837.71
Kirloskar Oil	7334.10	546.76	37.39	36.95	5.95	232.05	2	1381.70	20084.28
Adani Green	12049.00	1485.00	10.35	83.42	7.28	118.53	10	863.35	142208.95
ACME Solar Hold.	1962.08	482.97	8.28	29.77	3.12	78.94	2	246.50	14937.20
NTPC Green Ene.	2568.06	558.77	0.66	153.35	4.55	22.25	10	101.21	85282.88
Powerica Ltd	2894.88	269.10	21.27	18.57	2.43	162.88	5	395.00	4998.16

*Peer companies financials are TTM based
Powerica Limited financials are based on Annualised H1FY26

Valuation

Considering the P/E valuation, on the upper end of the price band of Rs.395, the stock is priced at pre issue P/E of 15.97x on Annualised H1FY26 EPS of Rs.24.73. Post issue, the stock is priced at a P/E of 18.57x on its EPS of Rs. 21.27. Looking at the P/B ratio at Rs. 395 pre issue, book value of Rs. 125.07 of P/Bvx 3.16x. Post issue, book value of Rs.162.88 of P/Bvx 2.43x.

Considering the P/E valuation, on the lower end of the price band of Rs.375, the stock is priced at pre issue P/E of 15.17x on Annualised H1FY26 EPS of Rs. 24.73. Post issue, the stock is priced at a P/E of 17.63x on its EPS of Rs.21.27. Looking at the P/B ratio at Rs. 375 pre issue, book value of Rs. 125.07 of P/Bvx 3.00x. Post issue, book value of Rs.162.88 of P/Bvx 2.30x.

Industry Overview

India's power and backup energy industry is positioned for steady growth, supported by rising electricity demand, expanding industrialisation, and increasing need for uninterrupted power supply across critical sectors. India's electricity consumption reached about 1,650 TWh in FY2025 with peak demand of 260 GW, while industrial demand alone is expected to rise from 109 GW in FY2025 to 159.3 GW by FY2030 (7.9% CAGR) and commercial demand from 82.1 GW to 110.9 GW (6.2% CAGR). This growth, coupled with frequent outages, particularly in Northern and Eastern regions lasting 3-5 hours daily in some areas continues to drive demand for standby solutions such as DG sets, UPS systems, and battery storage. The domestic DG market has expanded from INR 10,521 crore in FY2023 to INR 14,449 crore in FY2025, supported by infrastructure development, telecom expansion, and increasing power reliability requirements in Tier II and Tier III cities. Additionally, India's data center operational power capacity is projected to grow from 1.4 GW in FY2025 to 4.7 GW by FY2030, further strengthening demand for high-capacity backup systems. At the same time, the broader power sector is transitioning toward renewables, with total installed capacity expected to exceed 800 GW by FY2030, of which 50–55% is projected to come from renewable sources, creating opportunities for hybrid power and storage-backed standby solutions. Overall, rising power consumption, grid variability, digital infrastructure expansion, and renewable integration are expected to sustain long-term growth in India's standby power and distributed energy solutions market.

Outlook

Powerica's outlook remains positive, supported by strong demand for reliable power solutions, growing data centre capacity, and rising infrastructure development. Its diversified portfolio across DG sets and wind power ensures balanced growth and stable cash flows. Strategic partnerships, expansion into hybrid renewable projects, and increasing focus on emission solutions further strengthen long-term prospects. However, risks related to PPAs, regional concentration, and regulatory factors remain key monitorables.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
IPO Open Date	Tue, Mar 24, 2026
IPO Close Date	Fri, Mar 27, 2026
Tentative Allotment	Mon, Mar 30, 2026
Initiation of Refunds	Wed, Apr 1, 2026
Credit of Shares to Demat	Wed, Apr 1, 2026
Tentative Listing Date	Thu, Apr 2, 2026

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 30-Sep-25 (6 Months)	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)
Revenue from operations	1447.44	2653.27	2210.00
Total expenditure	1233.70	2316.64	1847.53
Operating Profit	213.74	336.63	362.47
OPM%	14.77	12.69	16.40
Other Income	27.43	57.66	146.77
Total Net Income	241.17	394.29	509.24
Interest	12.37	32.20	40.53
PBDT	228.80	362.09	468.71
Depreciation	53.93	116.46	127.98
Restated Profit Before Share of Profit (Loss) of Associate	174.87	245.63	340.73
Share of Profit (Loss) of Associate (net of tax)	6.68	9.03	-0.02
PBT	181.55	254.66	340.71
Tax	47.00	78.83	114.60
PAT	134.55	175.83	226.11

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 30-Sep-25	As on 31-Mar-25	As on 31-Mar-24
Non-current assets			
Property Plant & Equipment	800.64	839.93	931.45
Capital Work in-progress	429.30	352.23	23.45
Goodwill	4.83	4.83	4.83
Intangible Assets	6.91	7.00	6.77
Right-of-use Assets	16.70	13.73	7.64
Financial Assets			
Investments	74.05	40.42	27.99
Trade Receivables	0.00	2.34	9.36
Loans	0.34	0.40	0.87
Other Financial Assets	12.57	12.54	13.46
Non-Current Tax Assets (Net)	11.41	13.11	0.00
Other Non-Current Assets	128.83	4.08	19.86
Total non-current assets	1485.58	1290.61	1045.68
Current asset			
Inventories	315.11	206.85	269.52
Financial Assets			
Invesments	343.01	354.67	305.42
Trade Receivables	342.37	399.26	318.49
Cash & Cash equivalents	54.81	21.40	25.17
Other Bank Balances	31.51	21.68	7.40
Loans	0.79	0.68	0.82
Other Financial Assets	17.97	5.03	13.54
Other Current Assets	138.58	114.65	98.87
Total current assets	1244.15	1124.22	1039.23
Total Assets	2729.73	2414.83	2084.91
Non-current liabilities			
Financial liabilities			
Borrowings	506.09	235.77	135.62
Lease Liabilities	12.56	9.73	4.34
Other Financial Liabilities	0.00	0.00	1.00
Other Non-Current Liabilities	24.58	25.37	17.18
Provisions	5.65	4.86	4.20
Deferred Tax liabilities	219.25	204.68	170.15
Total Non- Current liabilities	768.13	480.41	332.49
Current liabilities			
Financial Liabilities			
Borrowings	65.86	65.03	41.90
Lease Liabilities	1.36	1.35	0.39
Trade payables			
"Total outstanding dues of micro enterprises and small enterprises; and"	61.23	26.38	15.39
total outstanding dues of creditors other than micro and small enterprises.	326.26	237.20	289.78
Other Financial Liabilities	78.53	296.40	296.41
Other Current Liabilities	198.31	211.97	193.52
Provisions	1.07	1.03	1.39
Current Tax Liabilities (Net) 2	2.49	1.30	1.55
Total - Current Liabilities	735.11	840.66	840.33
Total Liabilities	1503.24	1321.07	1172.82
Net worth represented by:			
Equity share capital	54.41	13.60	13.60
Other equity	1158.99	1070.95	898.67
Non-Controlling interests	13.09	9.21	-0.18
Total Equity	1226.49	1093.76	912.09

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