

Powerica Ltd

IPO Note



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An Emerging Player in India's Power Backup & Energy Solutions Market

Powerica Limited is engaged in the manufacturing and supply of diesel generator (DG) sets and provision of integrated power backup solutions catering to industrial, commercial and infrastructure applications. Incorporated in 1983, the company operates through assembly and testing facilities in India, supported by an established distribution and service network, enabling it to deliver end-to-end power solutions including installation and after-sales services.

The company's product portfolio comprises DG sets across a capacity range of ~3,000 kVA to 10,000 kVA, catering to standby, prime and continuous power requirements for critical applications. Its operations are supported by in-house assembly, testing and quality control infrastructure, along with technical tie-ups with global engine manufacturers. Powerica has established a network of 32+ dealers and service partners across India, enabling it to cater to a diversified customer base across sectors such as manufacturing, real estate, healthcare, data centers and infrastructure. The company also derives a portion of its revenue from maintenance services, spare parts and annual maintenance contracts, providing a recurring revenue stream.

The company primarily derives revenue from domestic markets through dealer networks and institutional clients, while also catering to select export markets. Its business model focuses on order-based execution, optimizing product mix and expanding higher-capacity DG offerings to improve realizations and operational efficiency. India's power backup and distributed generation market continues to witness steady demand driven by industrial growth, infrastructure development, increasing need for uninterrupted power supply and expansion in data centers and commercial establishments.

Strengths:

- Established DG set player with presence in high-capacity segment.
- Diversified customer base across industrial and infrastructure sectors.
- Strong dealer network with recurring service and maintenance revenue.

Weaknesses:

- Earnings exposed to demand cycles in infrastructure and industrial capex.
- Dependence on third-party engine suppliers for key components.
- Revenue concentration in domestic market with limited export contribution.

Key Consolidated Financial Data (INR Cr, unless specified):

	Revenue	EBITDA	PAT	EBITDA (%)	PAT (%)	Adj EPS (₹)	Adj BVPS (₹)	ROE (%)	ROIC (%)	EV/EBITDA (x)	P/BV (x)	P/E (x)
FY23	2,354.6	339.8	113.1	14.4	113.1	8.9	63.3	0.0	27.8	14.5	6.2	44.2
FY24	2,195.1	346.9	213.1	15.8	213.1	16.8	71.5	0.0	29.0	14.0	5.5	23.4
FY25	2,495.8	299.7	141.7	12.0	141.7	11.2	82.7	0.0	18.5	16.5	4.8	35.3

Source: Ventura Research & Company update

Industry	Power Generation Equipment
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Scrip Details

Listing	BSE & NSE
Open Date	Mar 24, 2026
Close Date	Mar 27, 2026
Price Band	INR 375-395
Face Value	INR 5
Market Lot	37 Shares
Minimum Lot	1

Issue Structure

Issue Size (INR cr.)	1100
Issue Size sh. (INR cr.)	2.78
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≥ 15%
Retail Share (%)	≥ 35%
Pre-Issue sh. (in cr.)	10.88
Post Issue sh. (in cr.)	12.65
Post Issue Market Cap (in cr.)	4998.60

Shareholding (%)	Pre (%)	Post (%)
Promoter	99.99	75
Public	0.01	25
TOTAL	100	100

Issue Structure and Offer Details:

Powerica Limited IPO is a book-built issue aggregating up to INR 1,100 Cr. The issue comprises a combination of a fresh issue of equity shares aggregating up to INR 700 Cr and an offer for sale aggregating up to INR 400 Cr by promoter selling shareholders, aimed at funding capital expenditure, working capital requirements and providing partial liquidity to existing shareholders.

Issue Structure	
Investor Category	Allocation
QIB	Not more than 50% of the Net Offer.
NII (HNI)	Not less than 15% of the Net Offer.
Retail	Not less than 35% of the Net Offer.

Number of shares based on a higher price band of INR 395

Source: Company Reports

1. **Prepayment/repayment of certain outstanding borrowings availed by our Company, in part or full – 525 cr.**
2. **General corporate purposes**

Financial Summary

Fig in INR Cr (unless specified)	FY23	FY24	FY25	Fig in INR Cr (unless specified)	FY23	FY24	FY25
Income Statement				Per share data & Yields			
Revenue	2,354.6	2,195.1	2,495.8	Adjusted EPS (INR)	8.9	16.8	11.2
<i>YoY Growth (%)</i>		<i>(6.8)</i>	<i>13.7</i>	Adjusted Cash EPS (INR)	19.6	27.0	20.4
Raw Material Cost	1,555.2	1,437.5	1,812.8	Adjusted BVPS (INR)	63.3	71.5	82.7
<i>RM Cost to Sales (%)</i>	<i>66.1</i>	<i>65.5</i>	<i>72.6</i>	Adjusted CFO per share (INR)	20.9	23.2	17.6
Employee Cost	94.8	111.1	108.0	CFO Yield (%)	5.3	5.9	4.5
<i>Employee Cost to Sales (%)</i>	<i>4.0</i>	<i>5.1</i>	<i>4.3</i>	Adjusted FCF per share (INR)	19.9	15.1	(4.5)
Other Expenses	364.8	299.5	275.3	FCF Yield (%)	5.0	3.8	(1.1)
<i>Other Exp to Sales (%)</i>	<i>15.5</i>	<i>13.6</i>	<i>11.0</i>	Solvency Ratio (X)			
EBITDA	339.8	346.9	299.7	Total Debt to Equity	0.3	0.2	0.3
<i>Margin (%)</i>	<i>14.4</i>	<i>15.8</i>	<i>12.0</i>	Net Debt to Equity	(0.1)	(0.2)	(0.1)
<i>YoY Growth (%)</i>		<i>2.1</i>	<i>(13.6)</i>	Net Debt to EBITDA	(0.2)	(0.4)	(0.2)
Depreciation & Amortization	135.5	127.9	116.0	Return Ratios (%)			
EBIT	204.3	219.0	183.7	Return on Equity	0.0	0.0	0.0
<i>Margin (%)</i>	<i>8.7</i>	<i>10.0</i>	<i>7.4</i>	Return on Capital Employed	11.1	13.2	9.0
<i>YoY Growth (%)</i>		<i>7.2</i>	<i>(16.1)</i>	Return on Invested Capital	27.8	29.0	18.5
Other Income	44.5	146.8	63.1	Working Capital Ratios			
Interest	55.9	39.8	32.4	Payable Days (Nos)	36	51	38
Fin Charges Coverage (X)	3.7	5.5	5.7	Inventory Days (Nos)	29	43	30
Exceptional Item	0.0	0.0	0.0	Receivable Days (Nos)	40	52	57
PBT	192.9	326.0	214.4	Net Working Capital Days (Nos)	34	45	49
<i>Margin (%)</i>	<i>8.2</i>	<i>14.9</i>	<i>8.6</i>	Net Working Capital to Sales (%)	9.2	12.4	13.4
<i>YoY Growth (%)</i>		<i>69.0</i>	<i>(34.2)</i>	Valuation (X)			
Tax Expense	79.9	112.9	72.7	P/E	44.2	23.4	35.3
<i>Tax Rate (%)</i>	<i>41.4</i>	<i>34.6</i>	<i>33.9</i>	P/BV	6.2	5.5	4.8
PAT	113.1	213.1	141.7	EV/EBITDA	14.5	14.0	16.5
<i>Margin (%)</i>	<i>4.8</i>	<i>9.7</i>	<i>5.7</i>	EV/Sales	2.1	2.2	2.0
<i>YoY Growth (%)</i>		<i>88.5</i>	<i>(33.5)</i>	Cash Flow Statement			
Min Int/Sh of Assoc	0.0	0.0	0.0	PBT	192.9	326.0	214.4
Net Profit	113.1	213.1	141.7	Adjustments	233.1	135.9	144.2
<i>Margin (%)</i>	<i>4.8</i>	<i>9.7</i>	<i>5.7</i>	Change in Working Capital	(81.2)	(55.0)	(63.3)
<i>YoY Growth (%)</i>		<i>88.5</i>	<i>(33.5)</i>	Less: Tax Paid	(79.9)	(112.9)	(72.7)
Balance Sheet				Cash Flow from Operations	265.0	294.0	222.6
Share Capital	16.7	13.6	13.6	Net Capital Expenditure	(46.5)	(128.8)	(301.3)
Total Reserves	784.3	891.4	1,032.2	Change in Investments	(68.5)	108.8	(5.4)
Shareholders Fund	801.0	905.0	1,045.8	Cash Flow from Investing	(115.0)	(20.0)	(306.8)
Long Term Borrowings	55.6	135.6	234.8	Change in Borrowings	(109.1)	(118.8)	113.5
Deferred Tax Assets / Liabilities	114.3	170.2	204.6	Less: Finance Cost	(55.9)	(39.8)	(32.4)
Other Long Term Liabilities	29.7	22.5	35.1	Proceeds from Equity	0.0	0.0	0.0
Long Term Trade Payables	0.0	0.0	0.0	Buyback of Shares	0.0	(108.4)	0.0
Long Term Provisions	3.9	4.2	4.7	Dividend Paid	0.0	0.0	0.0
Total Liabilities	1,004.6	1,237.5	1,525.1	Cash flow from Financing	(165.0)	(267.0)	81.1
Net Block	1,086.6	945.6	856.8	Net Cash Flow	(15.0)	6.9	(3.1)
Capital Work in Progress	4.6	23.7	350.0	Forex Effect	0.0	0.0	0.0
Intangible assets under developmer	0.0	0.0	0.0	Opening Balance of Cash	29.7	23.3	25.2
Non Current Investments	88.1	30.1	33.0	Closing Balance of Cash	23.3	25.2	21.4
Long Term Loans & Advances	22.2	32.1	21.1				
Other Non Current Assets	0.7	12.2	11.2				
Net Current Assets	(197.6)	193.9	252.9				
Total Assets	1,004.6	1,237.5	1,525.1				

Source: Ventura Research

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