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.

Industry	Power Generation Equipment

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**

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

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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
Income Statement			
Revenue	2,354.6	2,195.1	2,495.8
YoY Growth (%)		*(6.8)*	*13.7*
Raw Material Cost	1,555.2	1,437.5	1,812.8
RM Cost to Sales (%)	*66.1*	*65.5*	*72.6*
Employee Cost	94.8	111.1	108.0
Employee Cost to Sales (%)	*4.0*	*5.1*	*4.3*
Other Expenses	364.8	299.5	275.3
Other Exp to Sales (%)	*15.5*	*13.6*	*11.0*
EBITDA	339.8	346.9	299.7
Margin (%)	*14.4*	*15.8*	*12.0*
YoY Growth (%)		*2.1*	*(13.6)*
Depreciation & Amortization	135.5	127.9	116.0
EBIT	204.3	219.0	183.7
Margin (%)	*8.7*	*10.0*	*7.4*
YoY Growth (%)		*7.2*	*(16.1)*
Other Income	44.5	146.8	63.1
Interest	55.9	39.8	32.4
Fin Charges Coverage (X)	3.7	5.5	5.7
Exceptional Item	0.0	0.0	0.0
PBT	192.9	326.0	214.4
Margin (%)	*8.2*	*14.9*	*8.6*
YoY Growth (%)		*69.0*	*(34.2)*
Tax Expense	79.9	112.9	72.7
Tax Rate (%)	*41.4*	*34.6*	*33.9*
PAT	113.1	213.1	141.7
Margin (%)	*4.8*	*9.7*	*5.7*
YoY Growth (%)		*88.5*	*(33.5)*
Min Int/Sh of Assoc	0.0	0.0	0.0
Net Profit	113.1	213.1	141.7
Margin (%)	*4.8*	*9.7*	*5.7*
YoY Growth (%)		*88.5*	*(33.5)*
Balance Sheet			
Share Capital	16.7	13.6	13.6
Total Reserves	784.3	891.4	1,032.2
Shareholders Fund	801.0	905.0	1,045.8
Long Term Borrowings	55.6	135.6	234.8
Deferred Tax Assets / Liabilities	114.3	170.2	204.6
Other Long Term Liabilities	29.7	22.5	35.1
Long Term Trade Payables	0.0	0.0	0.0
Long Term Provisions	3.9	4.2	4.7
Total Liabilities	1,004.6	1,237.5	1,525.1
Net Block	1,086.6	945.6	856.8
Capital Work in Progress	4.6	23.7	350.0
Intangible assets under developmer	0.0	0.0	0.0
Non Current Investments	88.1	30.1	33.0
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

Fig in INR Cr (unless specified)	FY23	FY24	FY25
Per share data & Yields			
Adjusted EPS (INR)	8.9	16.8	11.2
Adjusted Cash EPS (INR)	19.6	27.0	20.4
Adjusted BVPS (INR)	63.3	71.5	82.7
Adjusted CFO per share (INR)	20.9	23.2	17.6
CFO Yield (%)	5.3	5.9	4.5
Adjusted FCF per share (INR)	19.9	15.1	(4.5)
FCF Yield (%)	5.0	3.8	(1.1)
Solvency Ratio (X)			
Total Debt to Equity	0.3	0.2	0.3
Net Debt to Equity	(0.1)	(0.2)	(0.1)
Net Debt to EBITDA	(0.2)	(0.4)	(0.2)
Return Ratios (%)			
Return on Equity	0.0	0.0	0.0
Return on Capital Employed	11.1	13.2	9.0
Return on Invested Capital	27.8	29.0	18.5
Working Capital Ratios			
Payable Days (Nos)	36	51	38
Inventory Days (Nos)	29	43	30
Receivable Days (Nos)	40	52	57
Net Working Capital Days (Nos)	34	45	49
Net Working Capital to Sales (%)	9.2	12.4	13.4
Valuation (X)			
P/E	44.2	23.4	35.3
P/BV	6.2	5.5	4.8
EV/EBITDA	14.5	14.0	16.5
EV/Sales	2.1	2.2	2.0
Cash Flow Statement			
PBT	192.9	326.0	214.4
Adjustments	233.1	135.9	144.2
Change in Working Capital	(81.2)	(55.0)	(63.3)
Less: Tax Paid	(79.9)	(112.9)	(72.7)
Cash Flow from Operations	265.0	294.0	222.6
Net Capital Expenditure	(46.5)	(128.8)	(301.3)
Change in Investments	(68.5)	108.8	(5.4)
Cash Flow from Investing	(115.0)	(20.0)	(306.8)
Change in Borrowings	(109.1)	(118.8)	113.5
Less: Finance Cost	(55.9)	(39.8)	(32.4)
Proceeds from Equity	0.0	0.0	0.0
Buyback of Shares	0.0	(108.4)	0.0
Dividend Paid	0.0	0.0	0.0
Cash flow from Financing	(165.0)	(267.0)	81.1
Net Cash Flow	(15.0)	6.9	(3.1)
Forex Effect	0.0	0.0	0.0
Opening Balance of Cash	29.7	23.3	25.2
Closing Balance of Cash	23.3	25.2	21.4

Source: Ventura Research

Disclosures and Disclaimer

Ventura Securities Limited - SEBI Registration No.: INH000001634

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