

March 24, 2026

An integrated powerplay across diesel & wind....

About the Company: Powerica Limited, incorporated in 1984, is an integrated power solutions provider specializing in diesel generator (DG) sets and wind power, headquartered in Bengaluru, Karnataka. The company operates across two primary divisions — the Generator Set Business and the Wind Power Business.

Key triggers/Highlights:

- Powerica is one of the original equipment manufacturers (OEMs) for Cummins India, maintaining this relationship for over four decades. It offers a comprehensive range of generator sets from 7.5 kVA to 10,000 kVA, covering Low Horse Power (LHP), Medium Horse Power (MHP), High Horse Power (HHP), and Medium Speed Large Generators (MSLG) in collaboration with HD Hyundai Heavy Industries.
- In the Wind Power Business, Powerica entered the sector in 2008 as an Independent Power Producer (IPP) and has since expanded into EPC (Engineering, Procurement & Construction) for Balance of Plant (BoP) and O&M services, with an operational wind portfolio of 330.85 MW across 12 projects in Gujarat, backed by long-term fixed-tariff PPAs with GUVNL and SECI. The Generator Set Business contributed ~85% of FY25 revenues while Wind Power contributed ~15%.
- Associate company adds emission control optionality: Platino Automotive (RECD manufacturer) posted ₹75.92 crore revenues with 33.97% EBITDA margins in FY25 and ₹50.34 crore in H1FY26 at 36.92% margins a high-margin, fast-growing adjacency addressing DG emission retrofit demand.
- Blue-chip alliances ensuring revenue visibility: Long-standing OEM status with Cummins (40+ years), MSLG collaboration with Hyundai (since 2014), and wind partnerships with GE Vernova and Vestas underpin both business segments. EPC for BoP orderbook currently includes two projects under construction for other IPPs with 435.60 MW definitive contract capacity, plus a letter of award for an additional 150 MW project.

Our View & Rating

- Company revenue/EBITDA has grown at a CAGR of ~5.6%/~2% over FY23-FY25.
- We assign UNRATED rating on Powerica Limited.**

Key risk & concerns

- Generator Set concentration risk:** DG sets contributed 80–86% of revenues across FY23–H1FY26; any regulatory headwinds on diesel or demand slowdown could materially impact earnings.
- Single OEM dependency:** Cummins engines alone drove ~70.4% of revenues in FY25; any supply disruption or adverse change in OEM terms poses significant business continuity risk.
- Promoter litigation & rising leverage:** Promoters are embroiled in a civil suit over equity/family arrangement, while total borrowings nearly doubled to ₹572 crore in H1FY26 from ₹301 crore in FY25.

**IPO Details**

Issue Details	
Issue opens	24th March, 2026
Issue Closes	27th March, 2026
Issue Size	Rs 1100 crore
QIB (Institutional) Share	50% of issue
Non - Institutional Share	15% of issue
Retail Share	35% of issue
Issue Type	Book Built Issue IPO
Price Band (Rs/share)	Rs 375 - 395
MarketLot	37 share
Face value (Rs/share)	Rs 5
Listing Market Cap @	4,999
Upper price band (Rs in crore)	

Shareholding pattern

%	Pre-Issue	Post-Issue
Promoters	100	78
Public	0	22
Total	100	100

Objects of the issue

Net proceeds of the fresh issue (₹700 crore) are proposed to be utilised for –

- Prepayment/repayment of certain outstanding borrowings availed by our Company, in part or full (₹525)
- General corporate purposes

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Key Financial Summary

Key Financials (₹ crore)	FY23	FY24	FY25	6MFY26	2 year CAGR (FY23-25)
Net Sales	2,378	2,210	2,653	1,447	5.6%
EBITDA	333	362	346	220	2%
EBITDA Margins (%)	14.01%	16.40%	13.03%	15.23%	
Net Profit	106.5	226.1	175.8	134.6	
Reported EPS (₹)	6.32	18.5	15.3	11.7	
P/E	17	12	12	11	
RoNW (%)	13.4	24.8	15.4	10.6	
ROCE	-	43.5	27.0	13.9	

RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to companies that are coming out with their initial public offerings and then categorises them as Subscribe, subscribe for the long term, Unrated and Avoid.

Subscribe: Apply for the IPO

Avoid: Do not apply for the IPO

Unrated: No View on applying for the IPO

Subscribe only for long term: Apply for the IPO only from a long-term investment perspective (>two years)

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