

# Powerica (PWRL IN)

Management Meet Update

June 16, 2026

Data centers to be a major growth driver

## Key Data POWERICA.BO | PWRL IN

BSE Code	544744
NSE Code	POWERICA
52-W High / Low	INR 588/ INR 365
Face Value	5
Sensex / Nifty	76,808/23,990
Market Cap	INR 62bn/\$ 652mn
Shares Outstanding	126.6mn
3M Avg. Daily Value	-

## Quick Pointers

- The management is targeting genset business to grow at early teens with wind business IPP to scale toward 500MW
- It expects revenue mix to gradually shift toward wind, with contribution increasing to ~25% of consolidated revenue from ~17% currently and the genset business share reducing from ~83% to ~75%.

## Shareholding Pattern (%)

Promoter's	77.18
Foreign	4.76
Mutual Funds	14.07
Domestic Institution	1.3
Public & Others	2.69
Promoter Pledge (INR bn)	-

## Stock Performance (%)

	1M	3M	6M	12M
Absolute	(12.8)	-	-	-
Relative	(12.7)	-	-	-

## Key Financials - Consolidated

Y/e Mar	FY22	FY23	FY24	FY25	FY26
Sales (INR mn)	14,755	23,607	21,994	26,426	30,115
EBITDA (INR mn)	1,862	3,474	3,625	3,366	3,758
Margin (%)	12.6	14.7	16.5	12.7	12.5
PAT (INR mn)	243	1,065	2,263	1,668	2,673
EV (INR mn)	53,347	53,347	53,347	53,347	53,347
Total Debt (INR mn)	3,165	2,789	1,823	3,119	5,721
C&C Eq. (INR mn)	405	307	326	431	9,611
EPS (INR)	7.3	6.3	18.5	15.3	21.1
Gr. (%)	0.0	-13.7	192.1	-17.3	38.4
DPS (INR)	0.0	0.0	0.0	0.0	0.0
Yield (%)	0.0	0.0	0.0	0.0	0.0
RoE (%)	3.2	13.7	26.5	16.7	17.4
RoCE (%)	4.0	12.7	23.0	14.2	15.7
EV/Sales (x)	3.6	2.3	2.4	2.0	1.8
EV/EBITDA (x)	28.6	15.4	14.7	15.8	14.2
PE (x)	64.2	74.3	25.4	30.8	22.2
P/BV (x)	0.0	0.0	0.0	0.0	3.0

We recently interacted with the management of Powerica Ltd (PWRL). The management remains highly optimistic on the company's long-term growth trajectory, driven by a multi-pronged strategy spanning DG sets, data centers and renewable energy. In the power solutions business (expected to grow at early teens), the company believes it is well-positioned to capitalize on the accelerating data-center buildout in India, leveraging its long-standing partnership with Cummins, execution capabilities, and approvals for large-scale data center projects. The management indicated that data center related revenue, contributing to 17–18% of the business, has the potential to scale up exponentially with demand. Simultaneously, the wind power business vertical is expected to witness significant expansion, with the company targeting ~500MW of owned wind assets by FY28 while also executing large EPC projects and developing wind parks through strategic partnerships with GE Vernova. With investments in engineering talent, execution infrastructure and manufacturing already in place, the management expects operating leverage to improve as volume ramps up, while maintaining a disciplined focus on profitability and return on capital, rather than chasing long-term growth. Not rated.

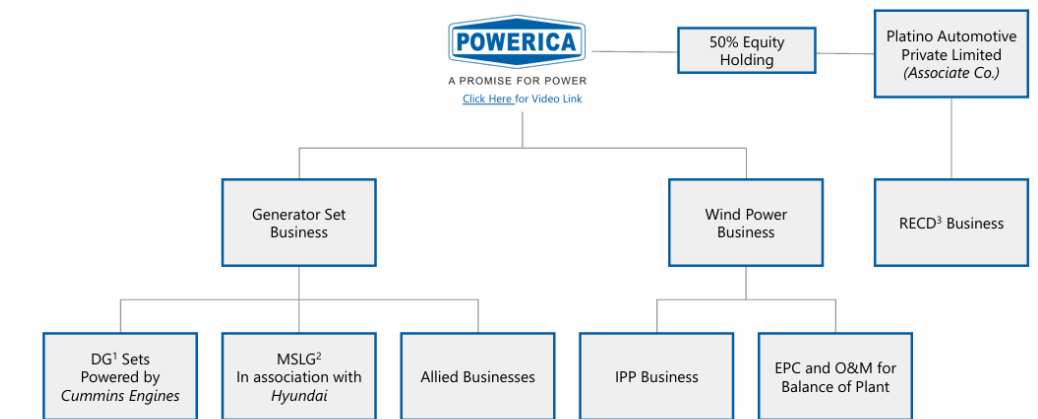
PWRL is a diversified power infrastructure company with over 40 years of experience in providing backup and continuous power solutions. Established in 1984, the company started as a DG set manufacturer to address India's growing power reliability needs and has since emerged as one of the leading Cummins OEM partners in the country. Its core business comprises manufacturing and integrating DG sets ranging from 7.5kVA to 3,750kVA for industrial, commercial, infrastructure and data center applications. Over the years, PWRL has expanded into medium-speed large generators (MSLG) through its partnership with Hyundai, serving critical industries such as nuclear power, fertilizers, chemicals and oil & gas that require uninterrupted power supply. The company has also diversified into the wind energy sector through both IPP and EPC businesses, with a target of reaching ~500MW of owned capacity by FY28. In addition, it operates in high-growth segments, including data center power infrastructure, Schneider control panel manufacturing, defense solutions and retrofit emission control devices (RECDs). Leveraging strong engineering capabilities, long-standing OEM relationships and turnkey execution expertise, PWRL is positioning itself as a comprehensive power solutions provider with increasing focus on data centers and renewable energy while maintaining disciplined capital allocation and profitability.

## Business Overview:

### Powerica business is largely divided into 2 parts of business

- Generator Set business: Powerica derives ~83% of its revenue from the DG set business, with Cummins-powered generator sets contributing ~70–73% of consolidated revenue. As a leading Cummins OEM partner, the company offers DG sets across 7.5 kVA–3,750 kVA for industrial, commercial, infrastructure and data centre applications, while undertaking in-house system integration and manufacturing of key components. The balance ~10–13% of revenue comes from MSLG (5% of total revenue) and allied businesses, including Hyundai-based medium-speed generators for continuous-duty industrial applications, Schneider control panel manufacturing, defence projects, data centre execution and RECD emission-control solutions, providing diversification beyond the core DG business.
- Powerica's Wind business contributes ~17% of consolidated revenue and operates through two verticals: Independent Power Producer (IPP) and EPC/Balance of Plant (BoP) services. The company owns and develops wind assets while also executing turnkey projects covering land acquisition, approvals and infrastructure development for third parties. Management is targeting ~500 MW of owned wind capacity by FY28 and expects the segment's revenue contribution to increase to ~25% over the medium term, supported by ongoing capacity additions, EPC opportunities and growing renewable energy demand.

### Exhibit 1 : Business Overview of Powerica



Source: Company, PL

## Key takeaways:

### Genset business (83% of sales): Core franchise supported by long-standing Cummins partnership

- PWRL acts as a **system integrator and packager**, rather than an engine manufacturer, sourcing engines and alternators from OEM partners while manufacturing the balance components in-house.
- PWRL continues to source Cummins engines across the **7.5–3,750kVA** range, enabling it to address nearly **90–95% of market requirements**.
- Engines and alternator account for **60-65% of bill of materials, which are sourced** through Cummins, while balance is manufactured in-house, i.e., control panels, load balancing systems, electrical integration, etc.
- Gross margins in the genset business are maintained at **~18%**, supported by engineering capabilities and customer relationships.
- The company exited its services business around FY18-19 due to lower profitability and higher manpower intensity.
- Revenue contribution from DG Sets powered by Cummins Engines stood at **70-73% of total revenue** in FY26.
- The company have a diverse customer base across market segments such as commercial, manufacturing, infra, rentals, agriculture, IT, EV and data center.

### Data center business: Leveraging strong demand pipeline and execution capabilities

- Data center related business contributes **~17-18% of total revenue**. The management expects the segment to grow faster than the core business over the medium term.
- The company has already invested in dedicated engineering and execution teams, with further revenue growth expected to drive operating leverage.
- Current order visibility stands at **10–11 months (INR3.5-4bn)**, while the opportunity pipeline is estimated at **~800MW** of DG requirements across various stages of discussion.
- Execution timelines are generally 6-9 months subject to engine availability and site readiness.
- The management indicated participation in projects involving marquee customers such as **Amazon and Microsoft** through the Cummins ecosystem, while also serving domestic operators including STT, Sify and CtrlS.

### MSLG business: Project-driven growth supported by Hyundai partnership

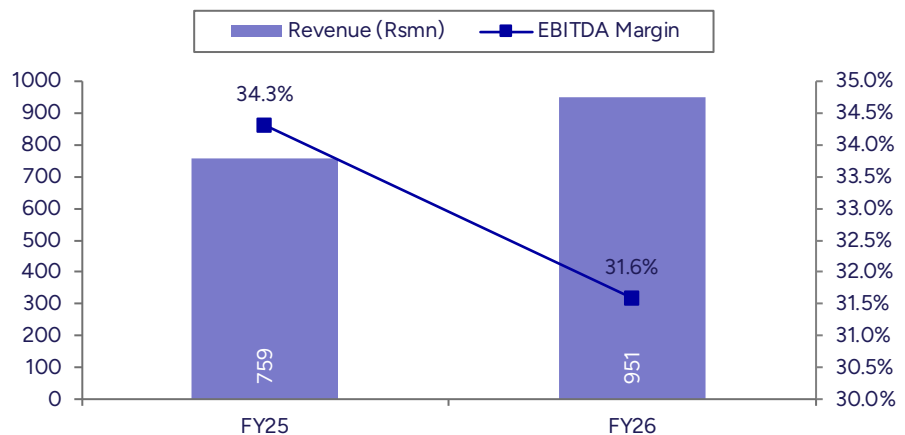
- PWRL has partnered with Hyundai for MSLG solutions, catering to applications requiring continuous duty power.
- These generators typically operate single-unit capacities ranging from 3,000kVA to 10,000kVA and are distinct from conventional high-speed backup DG sets.
- The company caters to key sectors, including oil refineries, nuclear power plants, fertilizer plants, liquefied natural gas terminals, steel plants, cement plants, automobiles and heavy industries.

- Project completion cycles typically range from 12 to 48 months depending on the size of project, execution timelines and customer site readiness.
- The company is currently working on 63MW prime projects for NPCIL (INR2.8bn) and 10MW generator installation for a fertilizer plant in Australia along with an O&M order for the same project.
- Revenue contribution stood at ~5% of total revenue in FY26.

### Allied business: RECD emerges as a high-margin regulatory opportunity

- **DG sets for defense**
  - Powerica has in-house facilities for design, prototype manufacturing, production, testing and approval from DRDO and other defense equipment testing organizations. Management highlighted they remain selective in order booking with focus on profitable opportunities
- **Schneider PRISMA control panels and switch boards**
  - Powerica serves as a contract manufacturing partner for Schneider Electric, producing electrical control panels for both domestic and export markets. The business leverages the company's manufacturing and electrical integration capabilities and forms part of its diversified allied business portfolio, with products also being exported to Europe.
- **Retrofit Emission Control Devices (~3% of total revenue)**
  - RECDs business is conducted through associate company, Platino Automotive Pvt Ltd. Platino holds certifications from ARAI and ICAT for RECD technology.
  - The business benefits from tightening CPCB emission regulations requiring retrofitting of older DG sets.
  - Backed by its proven capabilities, Platino Automotive is well equipped to capitalize on the increasing need for effective emission control in India's rapidly evolving DG market with plans to explore export opportunities.

Exhibit 2 : RECDs contribution remains at ~3% of total revenue



Source: Company, PL

### Wind business: Scaling IPP portfolio and increasing contribution in revenue mix

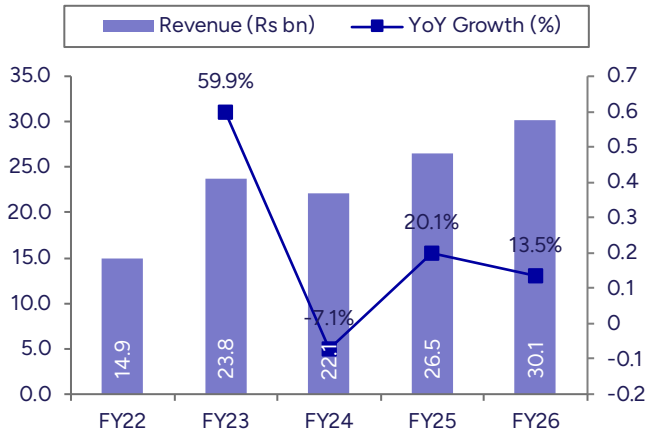
- The wind business was originally established in 2008 with a focus on tax-efficient investments through accelerated depreciation benefits, but has since evolved into a strategic growth vertical comprising both IPP and EPC/ BoP operations.
- The management expects **revenue mix to gradually shift toward wind**, with contribution increasing to **~25% of consolidated revenue from ~17% currently**, and the genset business share reducing from ~83% to ~75%.
- IPP business: targeting ~500MW operational portfolio by FY28
  - The company owns and operates wind assets primarily in Gujarat, having previously monetized a 26MW Tamil Nadu project in FY24.
  - PWRL is executing 50MW of captive wind capacity, with additional 100MW already identified and secured for development.
  - The management targets an owned operational portfolio of ~500MW by FY28 from current installed base of ~330MW driven by two projects of 50MW and 100MW of under execution.
  - Initial wind portfolio was funded entirely through equity; however, current projects are being funded through 30:70 equity-to-debt structure with IRR of ~20%.
- EPC/BoP: Integrated execution capabilities
  - Apart from owning assets, PWRL undertakes turnkey execution of wind projects providing EPC service, encompassing complete project development, resource studies, BoP construction, electrical work (transmission lines and substations) and other installations.
  - The company has executed ~500MW of projects till FY26 and is currently executing ~400MW for Torrent Power across Gujarat and Tamil Nadu.
  - EPC margins are typically in the range of 14-15%.

### GE Vernova: Strategic partnerships strengthen competitive positioning

- PWRL has formed a JV with GE Vernova to develop renewable energy parks.
- The JV will undertake project development activities such as approvals, land aggregation and infrastructure creation.
- GE supplies turbine technology, while PWRL contributes to project development and BoP expertise.
- The platform is expected to facilitate both wind and hybrid renewable projects while creating future EPC and development opportunities
- The company had already commissioned 3 projects of ~154MW with GE Vernova

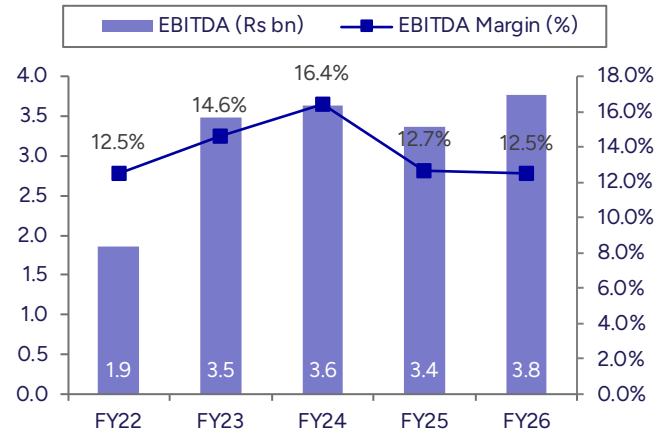
## Story In Charts

Exhibit 3 : Revenue clocks ~20% CAGR over FY22-26



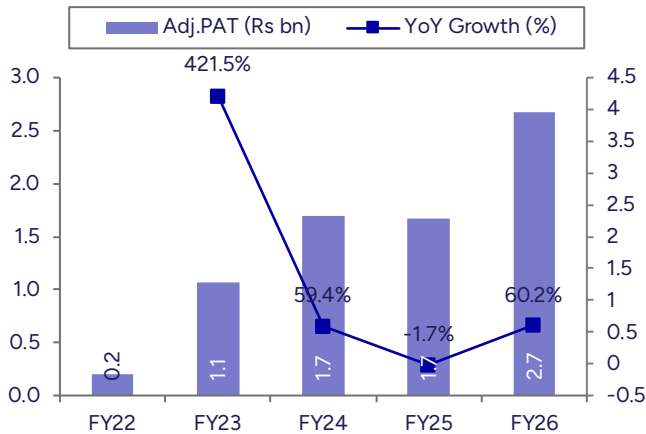
Source: Company, PL

Exhibit 4 : EBITDA grows by ~19% CAGR over FY22-26



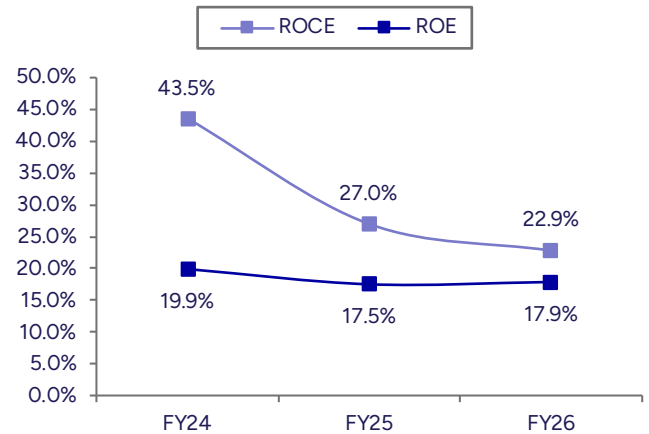
Source: Company, PL

Exhibit 5 : Adj PAT logs ~90% CAGR in FY22-26 (against lower base)



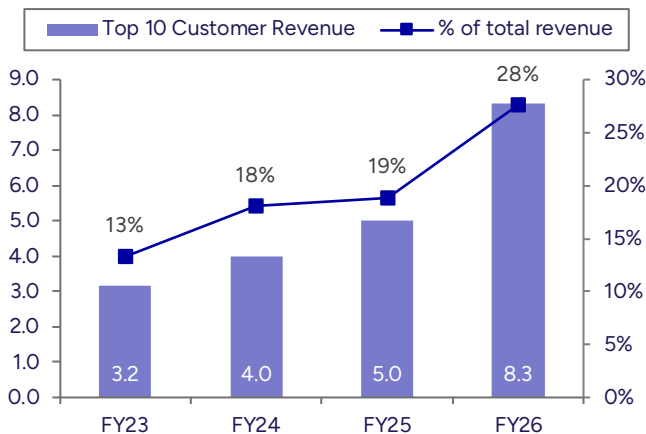
Source: Company, PL

Exhibit 6 : RoE remains largely steady



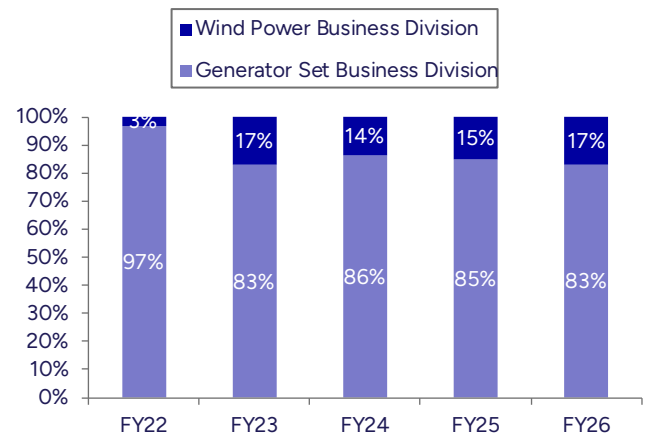
Source: Company, PL

Exhibit 7 : Share of Top10 customers on upward trend



Source: Company, PL

Exhibit 8 : Wind Power business expected to increase to 25%



Source: Company, PL

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	ABB India	HOLD	6523	7013
2	Apar Industries	Hold	13309	13426
3	BEML	Accumulate	1940	1721
4	Bharat Electronics	Accumulate	453	413
5	BHEL	REDUCE	321	377
6	Carborundum Universal	REDUCE	986	1102
7	Cummins India	REDUCE	5133	5881
8	Elgi Equipments	Accumulate	637	573
9	Engineers India	Buy	271	216
10	GE Vernova T&D India	Accumulate	4650	4385
11	Grindwell Norton	Accumulate	2002	1840
12	Harsha Engineers International	Hold	461	439
13	Hindustan Aeronautics	BUY	5423	4386
14	Hitachi Energy India	REDUCE	30768	35995
15	Ingersoll-Rand (India)	Accumulate	4934	4352
16	Kalpataru Projects International	BUY	1466	1258
17	KEC International	Accumulate	558	499
18	Kirloskar Pneumatic Company	BUY	1715	1448
19	Larsen & Toubro	BUY	4632	4055
20	Praj Industries	Accumulate	389	352
21	Siemens	Hold	3750	3879
22	Siemens Energy India	Accumulate	3274	3086
23	Thermax	REDUCE	3969	4678
24	Triveni Turbine	HOLD	638	638
25	Voltamp Transformers	Accumulate	10503	10002

**PL's Recommendation Nomenclature (Absolute Performance)**

<b>BUY</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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