

Power Grid Corporation of India Limited

HOLD

Sector: Electric Utilities

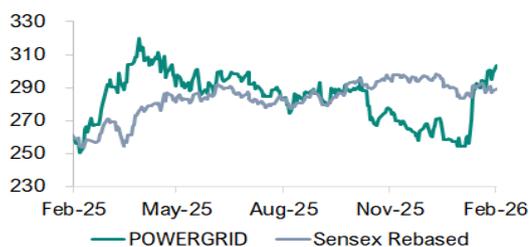
24th February, 2026

| | | | | | |
|--------------------|-----------------|-----------------|-------------------|---------------|----------------|
| Key Changes | Target ▲ | Rating ● | Earnings ▼ | Target | Rs. 328 |
| Stock Type | Bloomberg Code | Sensex | NSE Code | BSE Code | Time Frame |
| Large Cap | PWGR:IN | 83,295 | POWERGRID | 532898 | 12 Months |
| | | | | CMP | Rs. 303 |
| | | | | Return | +8% |

Data as of: 23-Feb-2026, 18:00

| Company Data | | | |
|---------------------------|-----------|---------|--------|
| Market Cap (Rs.cr) | 282,134 | | |
| 52 Week High — Low (Rs.) | 322 - 248 | | |
| Enterprise Value (Rs. cr) | 418,073 | | |
| Outstanding Shares (cr) | 930.1 | | |
| Free Float (%) | 48.5 | | |
| Dividend Yield (%) | 3.0 | | |
| 6m average volume (cr) | 1.4 | | |
| Beta | 1.0 | | |
| Face value (Rs.) | 10.0 | | |
| Shareholding (%) | Q1FY26 | Q2FY26 | Q3FY26 |
| Promoters | 51.3 | 51.3 | 51.3 |
| FII's | 26.5 | 25.7 | 24.7 |
| MFs/Institutions | 18.6 | 19.4 | 20.3 |
| Public | 3.2 | 3.3 | 3.3 |
| Others | 0.4 | 0.3 | 0.4 |
| Total | 100.0 | 100.0 | 100.0 |
| Promoter Pledge | Nil | Nil | Nil |
| Price Performance | 3 Month | 6 Month | 1 Year |
| Absolute Return | 9.3% | 7.1% | 15.9% |
| Absolute Sensex | -2.3% | 2.4% | 10.6% |
| Relative Return | 11.5% | 4.6% | 5.3% |

*over or under performance to benchmark index



| Y.E March (cr) | FY26E | FY27E | FY28E |
|-------------------|--------|--------|--------|
| Sales | 49,273 | 52,327 | 56,618 |
| Growth (%) | 7.6 | 6.2 | 8.2 |
| EBITDA | 42,424 | 45,211 | 49,003 |
| EBITDA Margin (%) | 86.1 | 86.4 | 86.6 |
| PAT Adjusted | 15,883 | 17,078 | 18,764 |
| Growth (%) | 2.3 | 7.5 | 9.9 |
| Adjusted EPS | 17.1 | 18.4 | 20.2 |
| Growth (%) | 2.3 | 7.5 | 9.9 |
| P/E | 17.8 | 16.5 | 15.0 |
| P/B | 2.9 | 2.8 | 2.7 |
| EV/EBITDA | 9.9 | 9.5 | 8.9 |
| ROE (%) | 16.5 | 17.0 | 17.8 |
| D/E | 1.5 | 1.6 | 1.6 |

Investment cycle supports growth

Power Grid Corporation of India Ltd (Power Grid) is a power transmission company. Its segments of operation are transmission, telecom and consultancy.

- Consolidated revenue increased 10.3% YoY to Rs. 12,395cr in Q3FY26, driven by higher capitalisation.
- Transmission revenue at Rs. 11,801cr was up 5.9% YoY and formed 95.2% of total revenue. Consultancy revenue rose 106.3% YoY to Rs. 497cr and telecom revenue increased 8.9% YoY to Rs. 299cr.
- Telecom segment received approximately Rs. 206cr orders during the period.
- Capex surged to Rs. 11,376cr vs Rs. 7,649cr in Q3FY25, while capitalisation jumped to Rs. 9,027cr vs Rs. 3,417cr.
- Transmission system availability was 99.84% in the quarter, exceeding the incentive-capped benchmark of 99.75%.
- EBITDA rose 11.7% YoY to Rs. 10,653cr, with margin expanding 100bps to 85.9%, driven by higher topline and a decline in other expenses. As a result, reported profit after tax (PAT) increased 8.4% YoY to Rs. 4,185cr.

Outlook and Valuation

Power Grid's strong operating momentum was driven by a growing project pipeline that aligns with India's transmission expansion plans for renewable energy and green hydrogen. Additionally, management expects robust project execution over the next few years, supported by planned capital deployment, which will enable continued asset-based expansion and provide visibility into regulated returns. Furthermore, the company's foray into battery energy storage and a robust HVDC (high voltage direct current) project pipeline solidifies its strategic position in ensuring grid stability and facilitating renewable energy evacuation. However, higher interest expenses due to a rise in debt and uncertainty in the international market may dent consultancy business revenue, which is expected to impact the company's performance. Therefore, **we retain our HOLD rating on the stock with a rolled-forward target price of Rs. 328, based on 2.9x FY28E P/B.**

Quarterly Financials Consolidated

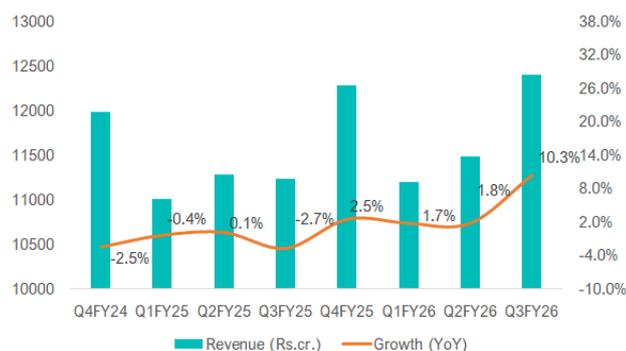
| Rs.cr | Q3FY26 | Q3FY25 | YoY (%) | Q2FY26 | QoQ (%) | 9MFY26 | 9MFY25 | YoY (%) |
|---------------|--------|--------|---------|--------|---------|--------|--------|---------|
| Sales | 12,395 | 11,233 | 10.3 | 11,476 | 8.0 | 35,067 | 33,517 | 4.6 |
| EBITDA | 10,653 | 9,538 | 11.7 | 9,114 | 16.9 | 28,913 | 28,842 | 0.2 |
| Margin (%) | 85.9 | 84.9 | 100bps | 79.4 | 650bps | 82.5 | 86.1 | -360bps |
| EBIT | 7,272 | 6,322 | 15.0 | 5,891 | 23.4 | 19,178 | 19,133 | 0.2 |
| PBT | 5,239 | 4,909 | 6.7 | 3,878 | 35.1 | 13,403 | 14,007 | -4.3 |
| Rep. PAT | 4,185 | 3,862 | 8.4 | 3,566 | 17.4 | 11,382 | 11,379 | 0.0 |
| Adj PAT | 4,185 | 3,862 | 8.4 | 3,566 | 17.4 | 11,382 | 11,379 | 0.0 |
| Adj. EPS (Rs) | 4.5 | 4.2 | 8.4 | 3.8 | 17.4 | 12.2 | 12.2 | 0.0 |



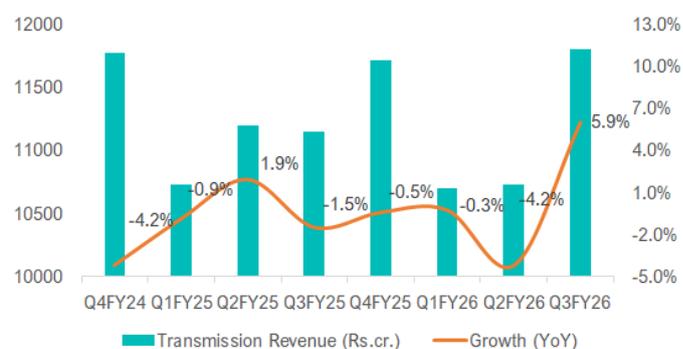
Key concall and other highlights

- Capitalisation guidance has been increased to Rs. 22,000cr (vs. earlier Rs. 20,000cr), with capex already at Rs. 26,761cr in 9MFY26 and expected to cross Rs. 32,000cr by end-FY26.
- The telecom segment secured an order worth approximately Rs. 120cr from a Government of India entity to cater to its pan-India requirements. Additionally, this segment onboarded 18 new customers.
- It commissioned its first BESS project in Andhra Pradesh—a 150MW/350MWh facility with a capex of ~Rs. 250cr and an annual tariff of ~Rs. 29.5cr. It plans aggressive participation in upcoming storage tenders, while also entering Africa through a \$311 million Kenya transmission PPP with Africa50, marking its first independent transmission project on the continent.
- The Company commissioned Asia's first 315MVA transformer using synthetic oil, enhancing fire safety and sustainability.
- Management highlighted a substantial transmission opportunity pipeline of Rs. 6.6 lakh crore up to FY32. This includes Rs. 2.3 lakh crore currently under execution, Rs. 55,000cr under bidding, Rs. 15,000cr approved but awaiting bids and a further Rs. 3.6 lakh crore expected to emerge over the next four years
- The company declared interim dividend of Rs. 3.25 per share.

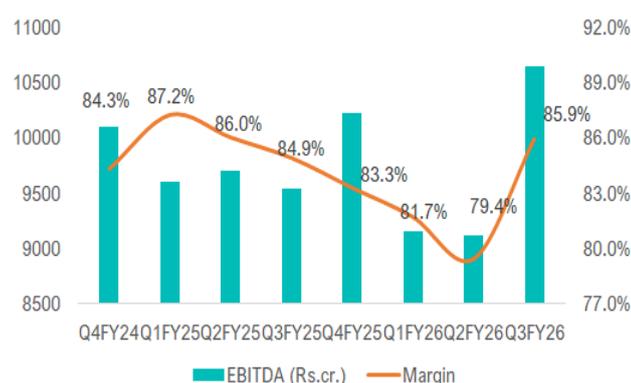
Revenue



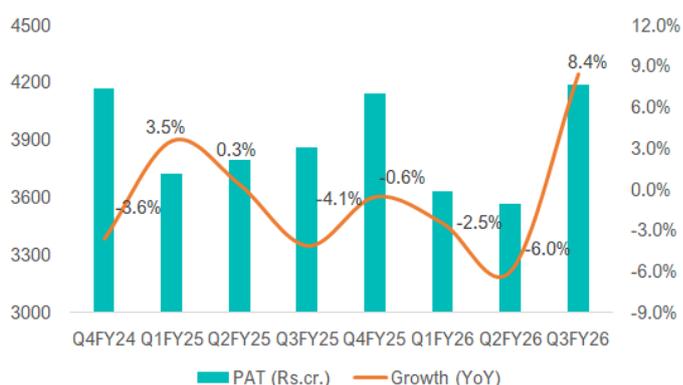
Transmission revenue



EBITDA



PAT



Change in Estimates

| Year / Rs cr | Old estimates | | New estimates | | | Change (%) | |
|--------------|---------------|--------|---------------|--------|--------|------------|-------|
| | FY26E | FY27E | FY26E | FY27E | FY28E | FY26E | FY27E |
| Revenue | 49,456 | 51,928 | 49,273 | 52,327 | 56,618 | -0.4 | 0.8 |
| EBITDA | 42,235 | 44,373 | 42,424 | 45,211 | 49,003 | 0.4 | 1.9 |
| Margins (%) | 85.4 | 85.5 | 86.1 | 86.4 | 86.6 | 70bps | 90bps |
| Adj. PAT | 16,753 | 17,604 | 15,883 | 17,078 | 18,764 | -5.2 | -3.0 |
| EPS | 18.0 | 18.9 | 17.1 | 18.4 | 20.2 | -5.2 | -3.0 |



Consolidated Financials

Profit & Loss

| Y.E March (Rs. Cr) | FY24A | FY25A | FY26E | FY27E | FY28E |
|--|---------------|---------------|---------------|---------------|---------------|
| Sales | 45,843 | 45,792 | 49,273 | 52,327 | 56,618 |
| % change | 0.5 | -0.1 | 7.6 | 6.2 | 8.2 |
| EBITDA | 39,903 | 39,065 | 42,424 | 45,211 | 49,003 |
| % change | 1.0 | -2.1 | 8.6 | 6.6 | 8.4 |
| Depreciation | 13,095 | 12,904 | 14,207 | 15,054 | 15,893 |
| EBIT | 26,808 | 26,161 | 28,216 | 30,157 | 33,110 |
| Interest | 8,773 | 8,700 | 8,964 | 9,380 | 10,181 |
| Other Income | 1,050 | 1,557 | 699 | 691 | 683 |
| PBT | 19,085 | 19,018 | 19,950 | 21,468 | 23,613 |
| % change | 9.4 | -0.4 | 4.9 | 7.6 | 10.0 |
| Tax | 2,941 | 3,773 | 4,349 | 4,680 | 5,148 |
| Tax Rate (%) | 15.4 | 19.8 | 21.8 | 21.8 | 21.8 |
| Reported PAT | 15,573 | 15,521 | 15,883 | 17,078 | 18,764 |
| PAT att. to common shareholder- | 15,573 | 15,521 | 15,883 | 17,078 | 18,764 |
| Adj.* | - | - | - | - | - |
| Adj. PAT | 15,573 | 15,521 | 15,883 | 17,078 | 18,764 |
| % change | 1.0 | -0.3 | 2.3 | 7.5 | 9.9 |
| No. of shares (cr) | 930.1 | 930.1 | 930.1 | 930.1 | 930.1 |
| Adj EPS (Rs.) | 16.7 | 16.7 | 17.1 | 18.4 | 20.2 |
| % change | -24.3 | -0.3 | 2.3 | 7.5 | 9.9 |
| DPS (Rs.) | 11.3 | 9.0 | 13.0 | 14.0 | 15.0 |

Cashflow

| Y.E March (Rs. Cr) | FY24A | FY25A | FY26E | FY27E | FY28E |
|-------------------------|----------------|----------------|----------------|----------------|----------------|
| Net inc. + Depn. | 28,668 | 28,426 | 30,091 | 32,132 | 34,657 |
| Non-cash adj. | 5,079 | 4,741 | 8,739 | 9,942 | 12,558 |
| Other adjustments | - | - | - | - | - |
| Changes in W.C | 3,542 | 3,056 | -1,078 | -344 | -944 |
| C.F. Operation | 37,290 | 36,223 | 37,752 | 41,730 | 46,271 |
| Capital exp. | -11,404 | -24,111 | -29,687 | -30,873 | -32,272 |
| Change in inv. | - | - | - | - | - |
| Other invest.CF | -1,711 | 578 | -308 | 77 | 73 |
| C.F - Investment | -13,114 | -23,533 | -29,995 | -30,796 | -32,199 |
| Issue of equity | - | - | - | - | - |
| Issue/repay debt | -5,397 | 3,614 | 12,403 | 10,610 | 9,295 |
| Dividends paid | -11,219 | -9,766 | -12,071 | -12,979 | -13,923 |
| Other finance.CF | -9,287 | -6,205 | -7,121 | -7,454 | -8,095 |
| C.F - Finance | -25,903 | -12,357 | -6,790 | -9,823 | -12,722 |
| Chg. in cash | -1,728 | 333 | 967 | 1,111 | 1,349 |
| Closing Cash | 7,495 | 10,077 | 11,044 | 12,155 | 13,504 |

Balance Sheet

| Y.E March (Rs. Cr) | FY24A | FY25A | FY26E | FY27E | FY28E |
|----------------------------|----------------|----------------|----------------|----------------|----------------|
| Cash | 7,495 | 10,077 | 11,044 | 12,155 | 13,504 |
| Accts. Receivable | 11,540 | 7,965 | 9,115 | 9,419 | 10,248 |
| Inventories | 1,406 | 1,803 | 1,729 | 1,770 | 1,885 |
| Other Cur. Assets | 6,612 | 9,655 | 8,301 | 9,456 | 9,439 |
| Investments | 1,516 | 1,234 | 1,542 | 1,465 | 1,392 |
| Gross Fixed As-sets | 275,991 | 290,715 | 320,402 | 351,275 | 383,547 |
| Net Fixed Assets | 176,223 | 170,886 | 186,408 | 201,908 | 217,966 |
| CWIP | 18,082 | 33,269 | 33,269 | 33,601 | 33,937 |
| Intangible Assets | 1,654 | 1,751 | 1,708 | 1,694 | 1,680 |
| Def. Tax -Net | - | - | - | - | - |
| Other Assets | 26,364 | 29,469 | 31,469 | 29,483 | 26,465 |
| Total Assets | 250,891 | 266,107 | 284,586 | 300,951 | 316,516 |
| Current Liabilities | 16,039 | 19,138 | 20,494 | 21,444 | 22,129 |
| Provisions | 644 | 727 | 836 | 919 | 1,011 |
| Debt Funds | 127,078 | 134,581 | 146,984 | 157,593 | 166,889 |
| Other Liabilities | 19,985 | 18,999 | 19,798 | 20,421 | 21,072 |
| Equity Capital | 9,301 | 9,301 | 9,301 | 9,301 | 9,301 |
| Res. & Surplus | 77,845 | 83,362 | 87,174 | 91,273 | 96,114 |
| Shareholder Funds | 87,145 | 92,663 | 96,475 | 100,573 | 105,415 |
| Minority Interest | - | - | - | - | - |
| Total Liabilities | 250,891 | 266,107 | 284,586 | 300,951 | 316,516 |
| BVPS | 94 | 100 | 104 | 108 | 113 |

Ratio

| Y.E March | FY24A | FY25A | FY26E | FY27E | FY28E |
|--------------------------------|-------|-------|-------|-------|-------|
| Profitab. & Return | | | | | |
| EBITDA margin (%) | 87.0 | 85.3 | 86.1 | 86.4 | 86.6 |
| EBIT margin (%) | 58.5 | 57.1 | 57.3 | 57.6 | 58.5 |
| Net profit mgn.(%) | 34.0 | 33.9 | 32.2 | 32.6 | 33.1 |
| ROE (%) | 17.9 | 16.8 | 16.5 | 17.0 | 17.8 |
| ROCE (%) | 12.5 | 11.5 | 11.6 | 11.7 | 12.2 |
| W.C & Liquidity | | | | | |
| Receivables (days) | 91.9 | 63.5 | 67.5 | 65.7 | 66.1 |
| Inventory (days) | 146.4 | 159.6 | 142.4 | 145.3 | 143.8 |
| Payables (days) | 38.7 | 54.9 | 62.5 | 63.4 | 64.3 |
| Current ratio (x) | 0.8 | 0.7 | 0.7 | 0.8 | 0.8 |
| Quick ratio (x) | 0.6 | 0.4 | 0.5 | 0.5 | 0.6 |
| Turnover & Leverage | | | | | |
| Gross asset T.O (x) | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Total asset T.O (x) | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Int. covge. ratio (x) | 3.1 | 3.0 | 3.1 | 3.2 | 3.3 |
| Adj. debt/equity (x) | 1.5 | 1.5 | 1.5 | 1.6 | 1.6 |
| Valuation | | | | | |
| EV/Sales (x) | 8.2 | 8.6 | 8.5 | 8.2 | 7.7 |
| EV/EBITDA (x) | 9.5 | 10.1 | 9.9 | 9.5 | 8.9 |
| P/E (x) | 16.5 | 17.4 | 17.8 | 16.5 | 15.0 |
| P/BV (x) | 3.0 | 2.9 | 2.9 | 2.8 | 2.7 |



Recommendation Summary - (Last 3 years)



| Dates | Rating | Target |
|-----------|--------|--------|
| 16-Feb-22 | HOLD | 204 |
| 02-Jun-22 | BUY | 247 |
| 02-Feb-23 | HOLD | 232 |
| 04-Sep-23 | HOLD | 268 |
| 11-Jun-24 | HOLD | 343 |
| 02-Dec-24 | HOLD | 356 |
| 10-Jun-25 | HOLD | 325 |
| 24-Feb-26 | HOLD | 328 |

Investment Rating Criteria

| Ratings | Large caps | Midcaps | Small Caps |
|--------------------|----------------------------|---------------------------|---------------------------|
| Buy | Upside is above 10% | Upside is above 15% | Upside is above 20% |
| Accumulate | - | Upside is between 10%-15% | Upside is between 10%-20% |
| Hold | Upside is between 0% - 10% | Upside is between 0%-10% | Upside is between 0%-10% |
| Reduce/sell | Downside is more than 0% | Downside is more than 0% | Downside is more than 0% |

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:

 Upgrade

 No Change

 Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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