BUY (Maintain)

CMP: **INR 260** Target Price: **INR 350 (INR 360)** ▲ 35%

ICICI Securities Limited is the author and distributor of this report

04 November 2026

India | Equity Research | Results Update

Power Grid Corporation of India

Utilities

Plenty in the pipe

Transmission tailwinds have been running strong in India, with TBCB awards crossing INR 3.4trn over the last 30 months. H1FY27 saw a record ~INR 1.4trn worth of bid awards. Power Grid's (PWGR) work-in-hand is a corollary to these tailwinds; it grew ~2.5x in the past 30 months to INR 2.2trn as of Sep'26. Execution has also kept pace. Capex/capitalisation over the past 18 months was strong at INR 0.57trn/INR 0.38trn. Q2FY27 commissioning was ~INR 40bn (+1.8x YoY), while capex was INR 91bn (vs. INR 84bn YoY). Operating revenue growth was steady at ~8% YoY, while adj. PAT grew ~11% YoY. The only soft spot was the temporary uncertainty around land acquisition. Revised land compensation guidelines have prompted PWGR to widen FY27 commissioning guidance to INR 250–300bn (INR 300bn earlier), even as capex guidance moves up to INR 370–400bn (INR 370bn earlier). We read this as a matter of timing. Maintain **BUY**.

Work in hand – a full plate at ~8x FY26 capitalisation

Work-in-hand rose 45% YoY to INR 2.2trn – TBCB (INR 1.95trn) + cost-plus (INR 0.25trn). This excludes the Pang-Kaithal scheme (INR 0.31trn), which is being converted from HVDC to EHVAC. PWGR stacked up new projects in its H1 bids, winning projects worth ~INR 81bn in annual tariff (incl. Barmer HVDC at ~INR 32.4bn). We expect capex to inch up to ~INR 500bn in FY28E, given its robust execution pipeline.

Commissioning – two steps forward, one step back

Q2FY27 commissioning stood at ~INR 40bn (1.8x YoY), taking H1 to INR 93bn (2.4x YoY). Management has, however, revised its FY27 commissioning guidance to INR 250–300bn (vs. INR 300bn), with the mid-point of the guidance being 8% lower. The near-term uncertainty stems from revised land compensation guidelines being incrementally adopted by states. This could potentially lead to temporary delays. Capex, meanwhile, keeps its foot on the pedal – FY27 guidance is now INR 370–400bn (vs. INR 370bn), with H1FY27 capex up 10% YoY.

Underlying growth – more than meets the eye

Reported revenue rose a modest 3% YoY, but the underlying growth was steady at 8% YoY, better reflecting the growth trajectory, led by the strong capitalisation over the past few quarters. The difference lies in: 1) ~3% regulatory impact mainly from lower depreciation booked in mature cost-plus projects – a structural feature of regulated assets; and 2) ~1.7% from non-recurring items, mainly a YoY fall in interest on differential tariff, as incremental CERC orders approved higher tariffs. Consolidated adj. PAT rose ~11% YoY to ~INR 39bn.

Maintain BUY

Maintain **BUY** with a revised TP of **INR 350** (INR 360 earlier).

Financial Summary

Y/E Mar-31 (INR mn)	FY26A	FY27E	FY28E	FY29E
Net Revenue	4,67,329	4,85,868	5,17,613	5,69,158
EBITDA	3,84,223	4,06,389	4,31,154	4,78,394
EBITDA Margin (%)	82.2	83.6	83.3	84.1
Net Profit	1,54,340	1,58,122	1,74,099	1,97,777
EPS (INR)	16.6	17.0	18.7	21.3
EPS % Chg YoY	3.5	(3.7)	10.1	13.6
P/E (x)	14.7	15.3	13.9	12.2
EV/EBITDA (x)	10.2	10.3	10.3	9.8
RoCE (%)	9.7	8.7	8.5	8.5
RoE (%)	17.0	15.2	15.8	16.8

Mohit Kumar
kumar.mohit@icicisecurities.com
+91 22 6807 7419

Mahesh Patil
mahesh.patil@icicisecurities.com

Abhinav Nalawade
abhinav.nalawade@icicisecurities.com

Shubham Borade
shubham.borade@icicisecurities.com

Market Data

Market Cap (INR)	2,414bn
Market Cap (USD)	25,502mn
Bloomberg Code	PWGR IN
Reuters Code	PGRD.BO
52-week Range (INR)	325 /242
Free Float (%)	49.0
ADTV-3M (mn) (USD)	27.8

Price Performance (%)	3m	6m	12m
Absolute	(9.6)	(18.5)	(9.9)
Relative to Sensex	(7.4)	(18.5)	(1.5)

ESG Score	2025	2026	Change
ESG score	61.9	60.7	(1.2)
Environment	50.7	51.5	0.8
Social	66.9	69.5	2.6
Governance	68.8	63.6	(5.2)

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY27E	FY28E
Revenue	(6.7)	(9.5)
EBITDA	(6.0)	(9.5)
EPS	(10.3)	(15.1)

Previous Reports

09-08-2026: Q1FY27 results review

19-05-2026: Q4FY26 results review

Exhibit 1: Consolidated financial highlights

INR bn	Q2FY27	Q1FY27	Q4FY26	Q3FY26	Q2FY26	YoY (%)	QoQ (%)
Revenue	**118.2**	**115.0**	**116.7**	**124.0**	**114.8**	**3.0**	**2.8**
EBITDA	**97.2**	**95.4**	**95.1**	**106.5**	**91.1**	**6.7**	**1.9**
Margin (%)	82.3	82.9	81.5	85.9	79.4	*284bps*	*-69bps*
Depreciation	32.0	31.3	32.9	33.8	32.2	-0.9	2.1
Finance Cost	21.9	20.2	21.7	21.9	21.5	2.0	8.3
Other Income	2.4	2.0	3.1	2.0	1.9	23.0	19.4
PBT	**45.7**	**45.9**	**43.6**	**52.4**	**38.8**	**17.8**	-0.4
Tax	7.0	9.9	-1.8	10.5	3.1	125.0	-29.0
Tax rate (%)	15.4	21.6	*(4.2)*	20.1	8.0	*733bps*	*-618bps*
Adjusted PAT	**38.6**	**36.2**	**45.4**	**37.8**	**34.9**	**10.6**	**6.8**
Reported PAT	**38.7**	**36.0**	**45.5**	**41.8**	**35.7**	**8.4**	**7.4**

Source: I-Sec research, Company data

Outlook and valuation

India is planning to increase the share of renewables in its power supply mix and has set ambitious RE capacity addition targets. The incremental capacity has to be connected to the national grid. Given that most RE projects are situated in remote regions, there is a huge transmission opportunity over the next 5-6 years.

PWGR has, over the years, maintained its market share in transmission projects despite increasing competitive intensity due to its expertise in the field. The company has maintained its dominant share in project awards through competitive bidding.

Thus, going forward too, PWGR is likely to be a major beneficiary of RE capacity addition. Also, the company remains the government's preferred choice for high-value and strategically important transmission projects, such as the Leh transmission project.

Its work-in-hand stands at ~INR 2.2trn and is expected to remain robust, driven by sustained transmission tailwinds. Capex and commissioning picked up in FY26, and we expect them to remain strong over the next three years. The company targets commissioning of INR 250-300bn in FY27.

We maintain **BUY** on the stock with a revised target price of **INR 350** (INR 360 earlier). We roll forward to FY29E, valuing the stock at 16x FY29E EPS (16x FY28E EPS earlier). We have also revised our estimates mainly based on H1FY27 performance.

Downside risks: 1) Delays in project execution; and 2) delays in awarding new projects.

Upside risks: 1) Higher-than-expected commissioning; and 2) higher-than-expected margins.

Exhibit 2: PE-based revised TP of INR 350

Business	Methodology	Multiple (x)	PAT (INR mn)	Equity value (INR bn)	Equity value per share (INR)
Consolidated PAT (FY29E)	PE (x)	16	197,777	3,259	**350**

Source: I-Sec research, Company data

Exhibit 3: Earnings revision

INR mn	FY27E			FY28E			FY29E
	Earlier	Revised	YoY (%)	Earlier	Revised	YoY (%)	
Revenue	5,21,037	4,85,868	-6.7	5,72,230	5,17,613	-9.5	5,69,158
EBIDTA	4,32,509	4,06,389	-6.0	4,76,477	4,31,154	-9.5	4,78,394
PAT	1,76,264	1,58,122	-10.3	2,05,067	1,74,099	-15.1	1,97,777

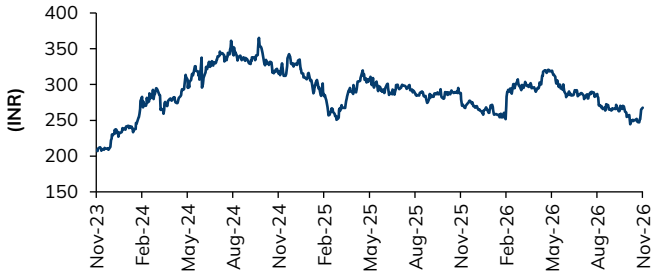
Source: I-Sec research

Exhibit 4: Shareholding pattern

%	Mar'26	Jun'26	Sep'26
Promoters	51.3	51.3	51.3
Institutional investors	45.2	44.9	45.0
MFs and others	13.6	13.6	14.5
FIs/Banks	0.1	0.1	0.1
Insurance	6.5	6.9	6.4
FIIs	25.0	24.3	24.0
Others	3.5	3.8	3.7

Source: Bloomberg, I-Sec research

Exhibit 5: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 6: Profit & Loss

(INR mn, year ending Mar-31)

	FY26A	FY27E	FY28E	FY29E
Net Sales	**4,67,329**	**4,85,868**	**5,17,613**	**5,69,158**
Operating Expenses	-	-	-	-
EBITDA	**3,84,223**	**4,06,389**	**4,31,154**	**4,78,394**
EBITDA Margin (%)	82.2	83.6	83.3	84.1
Depreciation & Amortization	1,30,297	1,31,299	1,37,751	1,46,874
EBIT	2,53,927	2,75,090	2,93,402	3,31,521
Interest expenditure	(84,476)	(93,160)	(1,01,573)	(1,11,115)
Other Non-operating Income	9,516	9,776	13,908	14,451
Recurring PBT	**1,78,966**	**1,91,706**	**2,05,738**	**2,34,856**
Profit / (Loss) from Associates	**(1,323)**	**(900)**	**(400)**	**(400)**
Less: Taxes	18,363	32,684	31,239	36,680
PAT	1,60,603	1,59,022	1,74,499	1,98,177
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	(4,940)	-	-	-
Net Income (Reported)	**1,59,280**	**1,58,122**	**1,74,099**	**1,97,777**
Net Income (Adjusted)	**1,54,340**	**1,58,122**	**1,74,099**	**1,97,777**

Source Company data, I-Sec research

Exhibit 7: Balance sheet

(INR mn, year ending Mar-31)

	FY26A	FY27E	FY28E	FY29E
Total Current Assets	7,17,061	7,29,222	7,97,233	8,68,812
of which cash & cash eqv.	91,716	98,457	1,31,105	1,63,868
Total Current Liabilities & Provisions	2,51,114	1,26,633	1,30,889	1,40,015
Net Current Assets	**4,65,947**	**6,02,588**	**6,66,344**	**7,28,797**
Investments	27,439	27,439	27,439	27,439
Net Fixed Assets	17,39,285	19,24,083	21,57,389	23,91,620
ROU Assets	-	-	-	-
Capital Work-in-Progress	4,37,468	4,30,000	4,90,000	5,50,000
Total Intangible Assets	-	-	-	-
Other assets	-	-	-	-
Deferred Tax Assets	-	-	-	-
Total Assets	**26,70,138**	**29,84,110**	**33,41,171**	**36,97,856**
Liabilities				
Borrowings	**15,66,964**	**18,16,964**	**21,06,964**	**23,86,964**
Deferred Tax Liability	**98,234**	**98,234**	**98,234**	**98,234**
provisions	-	-	-	-
other Liabilities	-	-	-	-
Equity Share Capital	93,006	93,006	93,006	93,006
Reserves & Surplus	9,11,934	9,75,906	10,42,967	11,19,652
Total Net Worth	**10,04,940**	**10,68,912**	**11,35,973**	**12,12,658**
Minority Interest	-	-	-	-
Total Liabilities	**26,70,138**	**29,84,110**	**33,41,171**	**36,97,856**

Source Company data, I-Sec research

Exhibit 8: Cashflow statement

(INR mn, year ending Mar-31)

	FY26A	FY27E	FY28E	FY29E
Operating Cashflow	**3,97,834**	**4,19,322**	**3,42,957**	**3,74,341**
Working Capital Changes	1,03,318	1,29,901	31,107	29,691
Capital Commitments	(2,47,997)	(3,08,630)	(4,31,057)	(4,41,105)
Free Cashflow	**6,45,831**	**7,27,952**	**7,74,014**	**8,15,446**
Other investing cashflow	**-**	**-**	**-**	**-**
Cashflow from Investing Activities	(2,47,997)	(3,08,630)	(4,31,057)	(4,41,105)
Issue of Share Capital	-	-	-	-
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	1,74,380	2,50,000	2,90,000	2,80,000
Dividend paid	(84,850)	(78,188)	(81,964)	(93,725)
Others	(2,48,423)	(2,75,764)	(87,288)	(86,748)
Cash flow from Financing Activities	(1,58,893)	(1,03,952)	1,20,748	99,526
Chg. in Cash & Bank balance	**(9,056)**	**6,740**	**32,649**	**32,762**
Closing cash & balance	91,716	98,457	1,31,105	1,63,868

Source Company data, I-Sec research

Exhibit 9: Key ratios

(Year ending Mar-31)

	FY26A	FY27E	FY28E	FY29E
Per Share Data (INR)				
Reported EPS	17.7	17.0	18.7	21.3
Adjusted EPS (Diluted)	16.6	17.0	18.7	21.3
Cash EPS	30.6	31.1	33.5	37.1
Dividend per share (DPS)	9.1	8.4	8.8	10.1
Book Value per share (BV)	108.1	114.9	122.1	130.4
Dividend Payout (%)	51.7	49.4	47.1	47.4
Growth (%)				
Net Sales	2.1	4.0	6.5	10.0
EBITDA	(1.6)	5.8	6.1	11.0
EPS (INR)	3.5	(3.7)	10.1	13.6
Valuation Ratios (x)				
P/E	14.7	15.3	13.9	12.2
P/CEPS	8.5	8.3	7.7	7.0
P/BV	2.4	2.3	2.1	2.0
EV / EBITDA	10.2	10.3	10.3	9.8
P / Sales	5.3	5.1	4.8	4.4
Dividend Yield (%)	3.5	3.2	3.4	3.9
Operating Ratios				
Gross Profit Margins (%)	82.2	83.6	83.3	84.1
EBITDA Margins (%)	82.2	83.6	83.3	84.1
Effective Tax Rate (%)	10.3	17.0	15.2	15.6
Net Profit Margins (%)	34.4	32.7	33.7	34.8
NWC / Total Assets (%)	14.0	16.9	16.0	15.3
Net Debt / Equity (x)	1.4	1.6	1.7	1.8
Net Debt / EBITDA (x)	3.8	4.2	4.5	4.6
Profitability Ratios				
RoCE (%)	9.7	8.7	8.5	8.5
RoE (%)	17.0	15.2	15.8	16.8
RoIC (%)	9.7	8.7	8.5	8.5
Fixed Asset Turnover (x)	0.3	0.3	0.3	0.3
Inventory Turnover Days	17	20	23	24
Receivables Days	92	69	68	67
Payables Days	185	84	83	82

Source Company data, I-Sec research

This report may be distributed in Singapore by ICICI Securities, Inc. (Singapore branch). Any recipients of this report in Singapore should contact ICICI Securities, Inc. (Singapore branch) in respect of any matters arising from, or in connection with, this report. The contact details of ICICI Securities, Inc. (Singapore branch) are as follows: Address: 10 Collyer Quay, #40-92 Ocean Financial Tower, Singapore - 049315, Tel: +65 6232 2451 and email: navneet_babbar@icicisecuritiesinc.com, Rishi_agrawal@icicisecuritiesinc.com and Kadambari_balachandran@icicisecuritiesinc.com.

"In case of eligible investors based in Japan, charges for brokerage services on execution of transactions do not in substance constitute charge for research reports and no charges are levied for providing research reports to such investors."

New I-Sec investment ratings (all ratings based on absolute return; All ratings and target price refers to 12-month performance horizon, unless mentioned otherwise)
BUY: >15% return; ADD: 5% to 15% return; HOLD: Negative 5% to Positive 5% return; REDUCE: Negative 5% to Negative 15% return; SELL: < negative 15% return

ANALYST CERTIFICATION

I/We, Mohit Kumar, MBA; Mahesh Patil, MBA; Abhinav Nalawade, MBA; Shubham Borade, Masters in Finance; authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager, Research Analyst and Alternative Investment Fund. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities AIF Trust's SEBI Registration number is IN/AIF3/23-24/1292 ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Institutional Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Retail Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

This report has not been prepared by ICICI Securities, Inc. However, ICICI Securities, Inc. has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk free return to the investors.

ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report.

SEBI Guidelines for Research Analyst (RA) requires all RAs to disclose terms and conditions pertaining to Research Services to all clients. Please go through the "Mandatory terms and conditions" and "Most Important Terms and Conditions. (Link)

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, **E-mail Address** : complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122