

February 3, 2026

Company Update

Key Financials - Consolidated

| Y/e Mar | FY25 | FY26E | FY27E | FY28E |
|-----------------|-------|-------|-------|-------|
| Sales (Rs. bn) | 458 | 496 | 544 | 599 |
| EBITDA (Rs. bn) | 391 | 428 | 470 | 521 |
| Margin (%) | 85.3 | 86.3 | 86.5 | 86.9 |
| PAT (Rs. bn) | 155 | 157 | 166 | 183 |
| EPS (Rs.) | 16.7 | 16.8 | 17.9 | 19.7 |
| Gr. (%) | (0.3) | 0.9 | 6.3 | 9.9 |
| DPS (Rs.) | 9.1 | 9.3 | 10.0 | 11.2 |
| Yield (%) | 3.4 | 3.4 | 3.7 | 4.1 |
| RoE (%) | 17.3 | 16.3 | 16.1 | 16.5 |
| RoCE (%) | 12.0 | 12.5 | 12.7 | 12.9 |
| EV/Sales (x) | 8.1 | 7.8 | 7.3 | 7.0 |
| EV/EBITDA (x) | 9.5 | 9.0 | 8.5 | 8.1 |
| PE (x) | 16.2 | 16.1 | 15.1 | 13.7 |
| P/BV (x) | 2.7 | 2.5 | 2.3 | 2.2 |

Key Data

PGRD.BO | PWGR IN

| | |
|---------------------|-------------------------|
| 52-W High / Low | Rs.322 / Rs.247 |
| Sensex / Nifty | 81,666 / 25,088 |
| Market Cap | Rs.2,515bn / \$ 27,481m |
| Shares Outstanding | 9,301m |
| 3M Avg. Daily Value | Rs.3478.55m |

Shareholding Pattern (%)

| | |
|-------------------------|-------|
| Promoter's | 51.34 |
| Foreign | 24.73 |
| Domestic Institution | 20.26 |
| Public & Others | 3.66 |
| Promoter Pledge (Rs bn) | - |

Stock Performance (%)

| | 1M | 6M | 12M |
|----------|-------|-------|--------|
| Absolute | (0.2) | (7.2) | (6.7) |
| Relative | 4.8 | (8.4) | (11.8) |

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Capitalization momentum re-emerges post curtailment

Power Grid's (PWGR) capitalization in Q3FY26 significantly exceeded Street expectations, coming in 80-90% higher than anticipated. The strong outperformance was driven by concerted ministry-level interventions to address the right of way (RoW) challenges, alongside the adoption of insulated cross arm (ICA) technology, which helps reduce RoW requirements by 30-40%. Post Q3FY26, PWGR has raised its FY26E/FY27E capitalization guidance by 10-15%. On the growth front, the transmission bidding pipeline remains strong. Out of the ~Rs6.6trn ISTS opportunity, projects worth ~Rs2.4trn have already been bided and ~Rs700bn are at various stages of bidding and approvals. This implies an annual bidding opportunity of ~Rs900bn over the medium term. PWGR has orders worth Rs1.45trn in hand, and to execute these, it has outlined a robust multi-year capex plan of Rs320bn in FY26E, Rs370bn in FY27, and Rs450bn in FY28. Capitalization is expected to ramp up with a 2-year lag, rising from ~Rs220bn in FY26 to ~Rs350bn by FY28. Given its dominant market position, regulated return profile, strong capex visibility, and healthy dividend yield of 3-3.5%, PWGR remains the best proxy to play India's transmission capex upcycle. We value it at 2.6x FY28E P/B, implying TP of Rs324 with 'BUY' recommendation.

- **Earnings impacted by weak other income and JV losses:** PWGR's reported revenue for Q3FY26 stood at Rs124bn, up 10% YoY, driven by higher transmission charges from incremental capitalization and improved contribution from consultancy and telecom segments. Adj PAT (consolidated, adjusted from prior period income) stood at Rs37bn (-3% YoY). Overall decline in PAT continued with 9MFY26 with adj PAT declining 2% YoY. Weak other income and higher JV losses (EESL) continued to impact PAT in Q3 and 9M. 9M other income fell by 52% YoY and JV losses stood at Rs1.5bn vs. loss of Rs0.8bn YoY.
- **Upcoming bidding opportunity:** Out of the total ISTS transmission opportunity of ~Rs6.6trn, projects worth ~Rs2.4trn have already been bid out. Further, ~Rs550bn is currently under bidding via the TBCB route, while ~Rs150bn has received approvals and is yet to be put up for bidding. The balance ~Rs3.5trn, along with additional intra-state transmission projects, is expected to be tendered over the medium term. Overall, the bidding pipeline implies that transmission projects worth ~Rs900bn could enter the market annually.
- **Capex visibility reinforces PWGR's leadership in transmission:** PWGR has articulated a strong multi-year capex pipeline, underscoring its central role in India's transmission build-out and energy transition. The company has guided for capital expenditure of Rs320bn in FY26E, scaling up to Rs370bn in FY27 and Rs450bn in FY28, led by project awards under both TBCB and RTM frameworks. The planned investments are focused on strengthening inter-regional connectivity, expanding HVDC corridors, and facilitating large-scale renewable energy integration.

- Capitalization set to ramp up with 2-year lag to capex:** Capitalization typically trails capex by ~2 years, implying a stable ~2:1 capex-to-capitalization ratio. The management has guided FY26 capitalization at ~Rs220bn, which is expected to scale up to ~Rs300bn in FY27 and ~Rs350bn in FY28. The ramp-up is supported by smoother project execution, improved equipment availability, and steady progress on key projects.

Exhibit 1: Q3FY26 result overview (Rs mn)

| Y/e March | Q3FY26 | Q3FY25 | YoY gr. (%) | Q2FY26 | QoQ gr. (%) |
|-----------------------------|-----------------|-----------------|----------------|-----------------|----------------|
| Net Sales | 1,23,951 | 1,12,330 | 10.3 | 1,14,760 | 8.0 |
| EBIDTA | 1,06,530 | 95,380 | 11.7 | 91,137 | 16.9 |
| Other income | 2,040 | 5,100 | (60.0) | 1,943 | 5.0 |
| PBIDT | 1,08,570 | 1,00,480 | 8.1 | 93,080 | 16.6 |
| Depreciation | -33,815 | -32,162 | 5.1 | -32,231 | 4.9 |
| Interest | -21,905 | -19,174 | 14.2 | -21,481 | 2.0 |
| Profit/loss from JV | -462 | -51 | 808.1 | -587 | (21.2) |
| PBT | 52,388 | 49,093 | 6.7 | 38,782 | 35.1 |
| Tax | -13,125 | -10,902 | 20.4 | -8,294 | 58.2 |
| Regulatory Income/(Expense) | 2,586 | 425 | 508.9 | 5,173 | (50.0) |
| Reported PAT | 36,763 | 37,986 | (3.2) | 35,661 | 3.1 |
| Capex | 1,13,760 | 76,490 | 48.7 | 83,800 | 35.8 |
| Capitalization | 90,230 | 34,170 | 164.1 | 22,050 | 309.2 |

Source: Company, PL

Q3FY26 analyst meet highlights

- **Uptick in guidance:** FY26 capex guidance has been revised upward to Rs320bn from Rs280bn, while capitalization guidance has been increased to Rs220bn from Rs200bn, reflecting strong execution visibility and project readiness.
- **Orders and project commissioning:** Multiple 765kV and 400kV transmission lines and substations have been commissioned post Sep'25 (till Jan'26), materially supporting the capitalization momentum.
- **Consolidated capex:** Consolidated capex stood at Rs114bn in Q3FY26 and Rs268bn in 9MFY26, showing a sharp YoY acceleration driven by transmission build-out.
- **Consolidated capitalization:** Consolidated capitalization reached Rs90bn in Q3FY26 and Rs129bn in 9MFY26, significantly higher YoY, aided by timely commissioning of large ISTS projects.
- **Capex & capitalization till Jan'26:** As of 31st Jan'26, cumulative consolidated capex stood at ~Rs292bn, while capitalization was ~Rs187bn, positioning the company to exceed full-year guidance.
- **Key operating metrics:** System availability remains industry-leading at 99.84% (up to Dec'25), while annual tripping per line remains low at ~0.27, underscoring grid reliability, despite network expansion.
- **Collection status:** Commercial performance remains strong with 103.1% realization during Apr–Dec'25; lowest-ever trade receivable days of ~24.7 days was achieved at end-Q3FY26, reflecting improved DISCOM payment discipline.
- **Execution pipeline / order book:** Total work-in-hand stands at ~Rs1460bn, comprising Rs1100bn under TBCB, Rs236bn under new RTM, Rs99bn under ongoing RTM, and Rs22bn under other projects (including international and data center-related works).
- **Key TBCB wins (FY26):** PWGR has secured 7 major ISTS TBCB projects so far in FY26. These projects are focused on inter-regional grid strengthening, RE evacuation, and pumped storage integration, with individual project NCT costs ranging from ~Rs3.7bn to Rs36bn.
- **Innovation reducing RoW requirement:** Deployment of ICAs at 400kV (first in India) on the Maharani Bagh–Narela line has enabled 35–40% reduction in RoW, lowering land acquisition needs and environmental/social impact.

Exhibit 2: Plant availability consistent

| Period | System Availability (%) |
|--------------|-------------------------|
| FY21 | 99.8 |
| FY22 | 99.8 |
| FY23 | 99.8 |
| FY24 | 99.9 |
| FY25 | 99.8 |
| Up to Dec'25 | 99.8 |

Source: Company, PL

Exhibit 3: Annual line tripping has fallen over the years

| Period | Annual Tripping per Line |
|--------------|--------------------------|
| FY21 | 0.36 |
| FY22 | 0.33 |
| FY23 | 0.27 |
| FY24 | 0.28 |
| FY25 | 0.27 |
| Up to Dec'25 | 0.21 |

Source: Company, PL

Exhibit 4: Order book in hand gives revenue visibility

| Category | Works in Hand (Rs bn) |
|---|-----------------------|
| Tariff Based Competitive Bidding (TBCB) | 1,098 |
| New Regulated Tariff Mechanism (RTM) | 236 |
| Ongoing Regulated Tariff Mechanism | 99 |
| Others | 22 |
| Total Works in Hand | 1,455 |

Source: Company, PL

Exhibit 5: Key operational metrics

| Rs bn | FY24 | FY25E | FY26E | FY27E | FY28E |
|-------------------------|------|-----------|-----------|-----------|-----------|
| Capex | 83 | 185 | 280 | 345 | 450 |
| - RTM, RoE fixed | 30 | 35 | 70 | 170 | 150 |
| - TBCB | 54 | 150 | 210 | 175 | 300 |
| Capitalization | 59 | 90 | 220 | 300 | 350 |
| - RTM, RoE fixed | 30 | 35 | 40 | 80 | 150 |
| - TBCB | 29 | 55 | 180 | 220 | 200 |
| Capitalization / Capex | 0.7 | 0.5 | 0.8 | 0.9 | 0.8 |
| DER | 1.4 | 1.4 | 1.4 | 1.5 | 1.5 |
| Debt / EBITDA | 3.1 | 3.4 | 3.3 | 3.4 | 3.5 |
| CWIP / Capital Employed | 6% | 14% | 15% | 15% | 17% |
| Regulated Equity/Equity | 856 | 878 | 926 | 994 | 1079 |
| - RTM | 810 | 820 | 832 | 856 | 901 |
| - TBCB | 47 | 58 | 94 | 138 | 178 |
| Change YoY, % | | 3% | 5% | 7% | 9% |

Source: Company, PL

Outlook & valuations

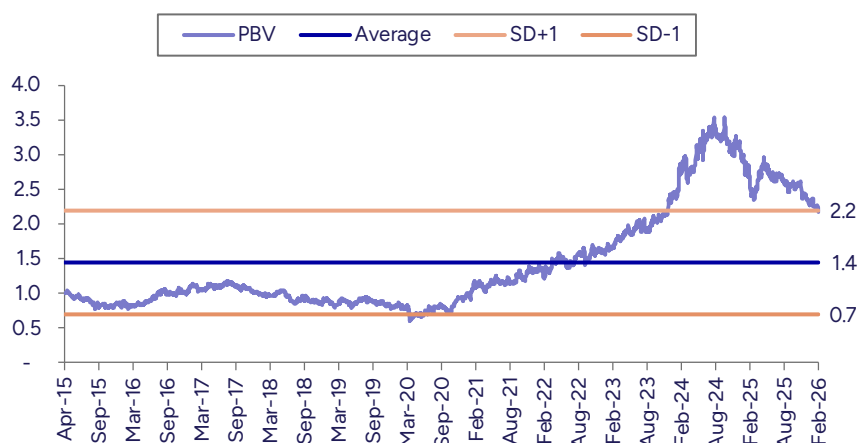
PWGR remains the best proxy to play India's transmission capex upcycle, given its dominant market share, regulated return profile, and strong visibility on asset monetization and new project awards. We value PWGR at 2.5x FY28E P/B, translating to TP of Rs322, based on an estimated FY28E book value of Rs127 per share. The valuation multiple is supported by an RoE of ~17%, long-duration regulated cash flows, and improving balance-sheet efficiency. Additionally, PWGR offers a healthy dividend yield of 3–3.5% over FY26–28E, providing downside protection and steady shareholder returns. Given robust transmission capex visibility, predictable earnings growth, and strong capital allocation, we have 'BUY' recommendation

Exhibit 6: TP of PWGR, valued at 2.5x FY28 BV in base case

| | FY28E |
|----------|-------|
| P/B (x) | 2.6 |
| BV Rs/sh | 124 |
| TP Rs/sh | 324 |

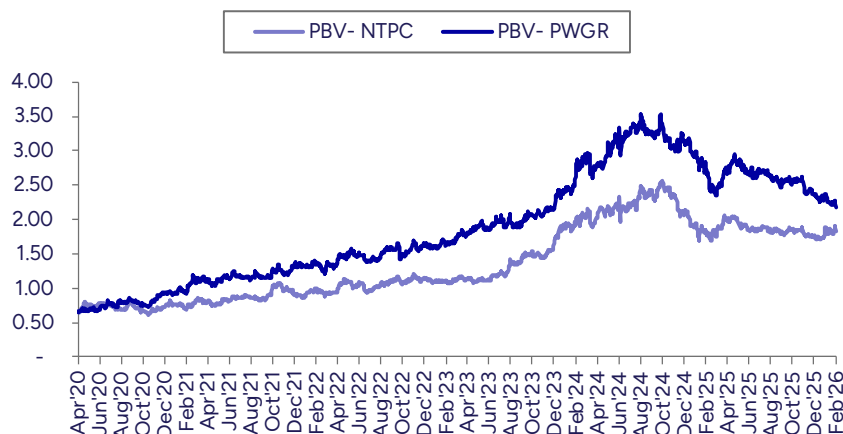
Source: Company, PL

Exhibit 7: PWGR PB band at +1STD



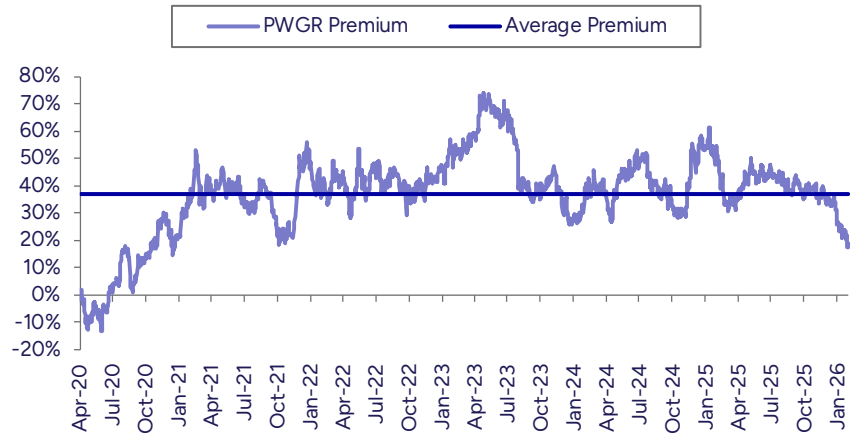
Source: Company, PL

Exhibit 8: PWGR vs. NTPC PB over the last 5 years



Source: Company, PL

Exhibit 9: PWGR premium to NTPC PB is below last 5 years' average



Source: Company, PL

Key risks

- **Execution risk:** Large under-construction pipeline (~Rs1.5trn as of Q3FY26) across RTM and TBCB projects may face RoW, land acquisition and approval-related delays; partially mitigated by PWGR's proven execution capabilities and experience in complex projects.
- **Regulatory risk:** Operations are subject to CERC regulations; any adverse changes in allowed RoE, tariff norms or incentive structures could affect profitability and return metrics.
- **Capitalization risk:** Delays in project commissioning or capitalization could defer revenue recognition and RoE accruals, impacting near-term earnings visibility.
- **Competition risk:** Increasing participation of private players in TBCB projects could lead to aggressive bidding and lower project IRRs.
- **Counterparty risk:** Exposure to financially weak state DISCOMs could impact cash flows; however, risk is mitigated by strong collection efficiency (98–104% over the past 5 years), LC coverage of ~1.05x monthly billing, and regulatory mechanisms such as TPA invocation and power regulation.

Annexure

PWGR – A Maharatna in power transmission

- PWGR is India's flagship inter-state and inter-regional transmission utility tasked with planning, building, owning, operating and maintaining EHV/HV and HVDC transmission networks that carry a large share of the country's bulk power.
- PWGR operates ~1.83 lakh ckm of transmission lines, 288 substations, and ~599,000MVA transformation capacity, accounting for ~101GW inter-regional capacity (~84% of India's total).
- Business segments are transmission, consultancy, telecom, and grid-management services. The company's revenue mix is led by regulated transmission charges, supplemented by consultancy (domestic & international transmission advisory), telecom (leasing fiber/links on its network) and operation of load-dispatch/ULDC/RLDC services.
- Beyond transmission, PWGR has successfully diversified into telecom services (under brand name 'POWERTEL') and consultancy services, leveraging its pan-India infrastructure and deep domain expertise. The company has provided consultancy services to 150+ domestic clients and 25+ international clients across more than 25 countries, covering power transmission, sub-transmission, distribution management, load dispatch, and communication systems.
- In addition, PWGR has expanded into emerging and adjacent business areas aligned with the energy transition, including smart grid and smart metering solutions, battery energy storage systems, solar power generation, rooftop solar installations, energy auditing and efficiency solutions, integration of solar power projects, and development of dedicated transmission systems for railways and other bulk consumers.
- It is a Maharatna CPSU with majority GoI ownership, investment-grade ratings, strong collection metrics (low trade receivable days) and predictable regulated cash flows that underpin financing of large capex.

Shareholding

- GoI holds 51.34% stake in PWGR.
- FIIs hold 24.73% (with the Government of Singapore holding 1%+) and DIIs hold 20.19% (LIC, Nippon , HDFC, SBI, PPFAS, ICICI Pru MF each owns 1%+).

Management team led by industry veterans

- **Dr. R K Tyagi, Chairman & MD:** He is an electrical engineer from Punjab Engineering College and holds an MTech in energy studies from IIT Delhi. A Fulbright Scholar at Carnegie Mellon University, US, he brings over 33 years of extensive experience in the power sector, having served in senior leadership roles across leading CPSUs. At PWGR, he has also served as the Director (Operations) and Head of the Northeastern Region.
- **Mr. G Ravisankar, Director – Finance:** He is a mathematics graduate and a cost accountant with post graduate diplomas in personnel and materials management. He has over 32 years of post-qualification experience, largely with PWGR, across project sites, regional offices, and the corporate center. His core expertise includes resource mobilization, budgeting, financial reporting, ERP implementation, and fund management. He was appointed Director – Finance in Sep’22.
- **Dr Yatindra Dwivedi, Director – Personnel:** He brings over 35 years of experience in HR leadership. Previously Executive Director – HR, PWGR, he has led large-scale HR transformation initiatives, including SAP implementation, digitization, and AI/ML-based applications. He holds an engineering degree from IIT Roorkee, postgraduate qualifications from NITIE (IIM Mumbai) and MDI Gurgaon, and a doctorate in management. He was appointed to the Board in Aug’23.
- **Mr. Naveen Srivastava, Director – Operations:** He is an electrical engineer (hons) from NIT Durgapur with management training from MDI Gurgaon and Harvard Business School. With over 20 years of experience, he has led operations across O&M, testing & commissioning, and SCADA and communication systems. He has been conferred with the Sustainability Leader of the Year Award 2024 and the Exemplary Service Award 2025 for his contributions to the power transmission sector
- **Mr. Burra Vamsi Rama Mohan, Director – Projects:** He is an engineering graduate with a postgraduate diploma in management and over 30 years of experience in the power and telecom sectors. At PWGR, he has also served as the COO – Telecom and OSD – Projects) and as the CEO of Teleservices Ltd, where he expanded the telecom business and initiated the company’s first data center project. He also played a key role in the regulatory strategy and PWGR’s entry into competitive bidding.

Financials

Income Statement (Rs m)

| Y/e Mar | FY25 | FY26E | FY27E | FY28E |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|
| Net Revenues | 4,57,923 | 4,96,328 | 5,43,590 | 5,99,210 |
| YoY gr. (%) | (0.1) | 8.4 | 9.5 | 10.2 |
| Cost of Goods Sold | - | - | - | - |
| Gross Profit | 4,57,923 | 4,96,328 | 5,43,590 | 5,99,210 |
| Margin (%) | 100.0 | 100.0 | 100.0 | 100.0 |
| Employee Cost | 26,044 | 30,540 | 33,881 | 37,039 |
| Other Expenses | 41,226 | 37,569 | 39,553 | 41,586 |
| EBITDA | 3,90,654 | 4,28,219 | 4,70,156 | 5,20,585 |
| YoY gr. (%) | (2.1) | 9.6 | 9.8 | 10.7 |
| Margin (%) | 85.3 | 86.3 | 86.5 | 86.9 |
| Depreciation and Amortization | 1,29,042 | 1,34,447 | 1,44,636 | 1,55,863 |
| EBIT | 2,61,612 | 2,93,772 | 3,25,520 | 3,64,723 |
| Margin (%) | 57.1 | 59.2 | 59.9 | 60.9 |
| Net Interest | 87,001 | 96,283 | 1,06,458 | 1,19,159 |
| Other Income | 19,434 | 3,446 | (2,497) | (5,235) |
| Profit Before Tax | 1,94,045 | 2,00,935 | 2,16,565 | 2,40,329 |
| Margin (%) | 42.4 | 40.5 | 39.8 | 40.1 |
| Total Tax | 37,728 | 43,255 | 49,060 | 56,298 |
| Effective tax rate (%) | 19.4 | 21.5 | 22.7 | 23.4 |
| Profit after tax | 1,56,317 | 1,57,680 | 1,67,505 | 1,84,031 |
| Minority interest | - | - | - | - |
| Share Profit from Associate | (1,103) | (1,103) | (1,103) | (1,103) |
| Adjusted PAT | 1,55,214 | 1,56,578 | 1,66,403 | 1,82,928 |
| YoY gr. (%) | (0.3) | 0.9 | 6.3 | 9.9 |
| Margin (%) | 33.9 | 31.5 | 30.6 | 30.5 |
| Extra Ord. Income / (Exp) | - | - | - | - |
| Reported PAT | 1,55,214 | 1,56,578 | 1,66,403 | 1,82,928 |
| YoY gr. (%) | (0.3) | 0.9 | 6.3 | 9.9 |
| Margin (%) | 33.9 | 31.5 | 30.6 | 30.5 |
| Other Comprehensive Income | - | - | - | - |
| Total Comprehensive Income | 1,55,214 | 1,56,578 | 1,66,403 | 1,82,928 |
| Equity Shares O/s (m) | 9,301 | 9,301 | 9,301 | 9,301 |
| EPS (Rs) | 16.7 | 16.8 | 17.9 | 19.7 |

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

| Y/e Mar | FY25 | FY26E | FY27E | FY28E |
|---------------------------------------|------------------|------------------|------------------|------------------|
| Non-Current Assets | | | | |
| Gross Block | 28,37,712 | 30,80,667 | 33,91,401 | 37,49,451 |
| Tangibles | - | - | - | - |
| Intangibles | - | - | - | - |
| Acc: Dep / Amortization | 11,11,346 | 12,48,876 | 13,95,119 | 15,52,658 |
| Tangibles | - | - | - | - |
| Intangibles | - | - | - | - |
| Net fixed assets | 17,26,366 | 18,31,791 | 19,96,281 | 21,96,793 |
| Tangibles | 17,26,366 | 18,31,791 | 19,96,281 | 21,96,793 |
| Intangibles | - | - | - | - |
| Capital Work In Progress | 3,32,687 | 4,27,945 | 4,72,945 | 5,72,945 |
| Goodwill | - | - | - | - |
| Non-Current Investments | 31,167 | 31,167 | 31,167 | 31,167 |
| Net Deferred tax assets | (1,07,054) | (1,07,054) | (1,07,054) | (1,07,054) |
| Other Non-Current Assets | 2,75,860 | 2,75,860 | 2,75,860 | 2,75,860 |
| Current Assets | | | | |
| Investments | - | - | - | - |
| Inventories | 18,025 | 18,781 | 20,467 | 22,492 |
| Trade receivables | 79,648 | 82,987 | 90,437 | 99,385 |
| Cash & Bank Balance | 1,00,772 | 1,17,087 | 1,27,705 | 1,25,548 |
| Other Current Assets | 95,210 | 99,202 | 1,08,108 | 1,18,804 |
| Total Assets | 26,61,074 | 28,86,217 | 31,24,492 | 34,44,665 |
| Equity | | | | |
| Equity Share Capital | 93,006 | 93,006 | 93,006 | 93,006 |
| Other Equity | 8,33,622 | 9,03,779 | 9,77,180 | 10,56,296 |
| Total Network | 9,26,628 | 9,96,785 | 10,70,186 | 11,49,302 |
| Non-Current Liabilities | | | | |
| Long Term borrowings | 13,09,650 | 14,55,737 | 16,01,899 | 18,20,516 |
| Provisions | - | - | - | - |
| Other non current liabilities | 1,19,093 | 1,19,093 | 1,19,093 | 1,19,093 |
| Current Liabilities | | | | |
| ST Debt / Current of LT Debt | - | - | - | - |
| Trade payables | - | - | - | - |
| Other current liabilities | 1,98,649 | 2,07,548 | 2,26,261 | 2,48,700 |
| Total Equity & Liabilities | 26,61,074 | 28,86,218 | 31,24,492 | 34,44,666 |

Source: Company Data, PL Research

Cash Flow (Rs m)

| Y/e Mar | FY25 | FY26E | FY27E | FY28E |
|--|-------------------|-------------------|-------------------|-------------------|
| PBT | 1,92,942 | 1,99,832 | 2,15,462 | 2,39,226 |
| Add. Depreciation | 1,29,042 | 1,34,447 | 1,44,636 | 1,55,863 |
| Add. Interest | 87,001 | 96,283 | 1,06,458 | 1,19,159 |
| Less Financial Other Income | 19,434 | 3,446 | (2,497) | (5,235) |
| Add. Other | - | - | - | - |
| Op. profit before WC changes | 4,08,985 | 4,30,562 | 4,66,557 | 5,14,248 |
| Net Changes-WC | 60,152 | 755 | 545 | 621 |
| Direct tax | (37,728) | (43,255) | (49,060) | (56,298) |
| Net cash from Op. activities | 4,31,409 | 3,88,062 | 4,18,042 | 4,58,571 |
| Capital expenditures | (3,00,561) | (3,35,131) | (3,54,126) | (4,56,374) |
| Interest / Dividend Income | - | - | - | - |
| Others | 10,465 | - | - | - |
| Net Cash from Invst. activities | (2,90,096) | (3,35,131) | (3,54,126) | (4,56,374) |
| Issue of share cap. / premium | - | - | - | - |
| Debt changes | 75,163 | 1,46,088 | 1,46,161 | 2,18,618 |
| Dividend paid | (84,635) | (86,421) | (93,002) | (1,03,812) |
| Interest paid | (87,001) | (96,283) | (1,06,458) | (1,19,159) |
| Others | (19,018) | - | - | - |
| Net cash from Fin. activities | (1,15,492) | (36,616) | (53,299) | (4,353) |
| Net change in cash | 25,822 | 16,315 | 10,618 | (2,156) |
| Free Cash Flow | 1,30,848 | 52,932 | 63,916 | 2,196 |

Source: Company Data, PL Research

Key Financial Metrics

| Y/e Mar | FY25 | FY26E | FY27E | FY28E |
|----------------------------|------|-------|-------|-------|
| Per Share(Rs) | | | | |
| EPS | 16.7 | 16.8 | 17.9 | 19.7 |
| CEPS | 30.6 | 31.3 | 33.4 | 36.4 |
| BVPS | 99.6 | 107.2 | 115.1 | 123.6 |
| FCF | 14.1 | 5.7 | 6.9 | 0.2 |
| DPS | 9.1 | 9.3 | 10.0 | 11.2 |
| Return Ratio(%) | | | | |
| RoCE | 12.0 | 12.5 | 12.7 | 12.9 |
| ROIC | 10.2 | 10.4 | 10.3 | 10.4 |
| RoE | 17.3 | 16.3 | 16.1 | 16.5 |
| Balance Sheet | | | | |
| Net Debt : Equity (x) | 1.3 | 1.3 | 1.4 | 1.5 |
| Net Working Capital (Days) | - | - | - | - |
| Valuation(x) | | | | |
| PER | 16.2 | 16.1 | 15.1 | 13.7 |
| P/B | 2.7 | 2.5 | 2.3 | 2.2 |
| P/CEPS | 30.6 | 31.3 | 33.4 | 36.4 |
| EV/EBITDA | 9.5 | 9.0 | 8.5 | 8.1 |
| EV/Sales | 8.1 | 7.8 | 7.3 | 7.0 |
| Dividend Yield (%) | 3.4 | 3.4 | 3.7 | 4.1 |

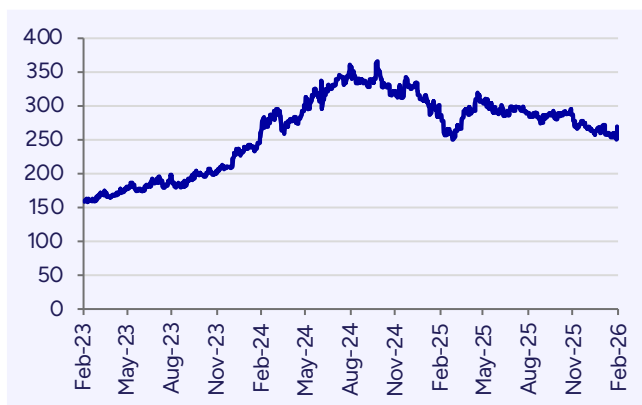
Source: Company Data, PL Research

Quarterly Financials (Rs m)

| Y/e Mar | Q4FY25 | Q1FY26 | Q2FY26 | Q3FY26 |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|
| Net Revenue | 1,22,754 | 1,11,962 | 1,14,760 | 1,23,951 |
| YoY gr. (%) | 2.5 | 1.7 | 1.8 | 10.3 |
| Raw Material Expenses | - | - | - | - |
| Gross Profit | 1,22,754 | 1,11,962 | 1,14,760 | 1,23,951 |
| Margin (%) | 100.0 | 100.0 | 100.0 | 100.0 |
| EBITDA | 1,02,236 | 91,467 | 91,137 | 1,06,530 |
| YoY gr. (%) | 1.2 | (4.7) | (6.1) | 11.7 |
| Margin (%) | 83.3 | 81.7 | 79.4 | 85.9 |
| Depreciation / Depletion | 31,955 | 31,305 | 32,231 | 33,815 |
| EBIT | 70,281 | 60,163 | 58,906 | 72,715 |
| Margin (%) | 57.3 | 53.7 | 51.3 | 58.7 |
| Net Interest | 23,027 | 19,343 | 21,481 | 21,905 |
| Other Income | 3,155 | 2,482 | 1,943 | 2,040 |
| Profit before Tax | 50,409 | 43,302 | 39,368 | 52,850 |
| Margin (%) | 41.1 | 38.7 | 34.3 | 42.6 |
| Total Tax | 9,188 | 8,680 | 8,294 | 13,125 |
| Effective tax rate (%) | 18.2 | 20.0 | 21.1 | 24.8 |
| Profit after Tax | 41,221 | 34,622 | 31,075 | 39,726 |
| Minority interest | - | - | - | - |
| Share Profit from Associates | (296) | (444) | (587) | (462) |
| Adjusted PAT | 41,429 | 36,228 | 34,733 | 36,763 |
| YoY gr. (%) | 0.1 | (0.8) | (2.6) | (3.2) |
| Margin (%) | 33.7 | 32.4 | 30.3 | 29.7 |
| Extra Ord. Income / (Exp) | 504 | 2,129 | 5,173 | 2,586 |
| Reported PAT | 40,925 | 34,178 | 30,488 | 39,263 |
| YoY gr. (%) | (5.8) | (9.7) | (14.1) | 2.8 |
| Margin (%) | 33.3 | 30.5 | 26.6 | 31.7 |
| Other Comprehensive Income | - | - | - | - |
| Total Comprehensive Income | 40,925 | 34,178 | 30,488 | 39,263 |
| Avg. Shares O/s (m) | - | - | - | - |
| EPS (Rs) | - | - | - | - |

Source: Company Data, PL Research

Price Chart



Recommendation History

No. Date Rating TP (Rs.) Share Price (Rs.)

Analyst Coverage Universe

| Sr. No. | CompanyName | Rating | TP (Rs) | Share Price (Rs) |
|---------|------------------------|--------|---------|------------------|
| 1 | Indian Energy Exchange | Hold | 135 | 127 |
| 2 | NTPC | BUY | 423 | 356 |
| 3 | PSP Projects | BUY | 1,028 | 750 |

PL's Recommendation Nomenclature (Absolute Performance)

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

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