PL Capital
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Power

Sector Update

September 17, 2026

Coverage Universe

Name of the Company	Rating	CMP (INR)	TP (INR)
Adani Energy Solutions	HOLD	1,349	1,752
CESC	BUY	142	220
Coal India	Accumulate	422	472
Indian Energy Exchange	Hold	112	135
JSW Energy	Buy	505	646
NTPC	BUY	327	450
Power Grid Corporation of India	BUY	263	331
Tata Power Company	Accumulate	360	414

Transmission: PWGR leads near-term execution visibility

Quick Pointers

- All India under-construction power transmission projects up 12–13% as of Jul'26 vs. Dec'25
- PWGR offers stronger execution visibility, with potential FY28 capitalization upside vs our estimates; BUY' PWGR (TP: INR331) vs. 'HOLD' ADANIENS (TP: INR1,752)

All-India under-construction inter-state power transmission projects, as of Jul'26 increased by 12–13% since Dec'25, after adjusting for the exclusion of the Leh-Pang project and lines commissioned over the past 6 months. This improves sector visibility on upcoming commissioning and capitalization. As per the Central Electricity Authority (CEA), PWGR's FY28E capitalization expected at INR752bn, significantly above our estimate of INR350bn. A substantial portion of this capitalization is expected in Q1FY28, providing a strong execution cushion, with potential project delays likely to be absorbed within FY28. PWGR's FY27 projects are also well advanced (CEA expects it at INR331bn)), with 95% of foundations and 85% of towers completed, supporting near-term capitalization visibility. Its FY28 line commissioning (as per CEA) of INR752bn, with 67% of foundations already completed, further strengthens the medium-term outlook. While ADANIENS' FY27 projects are progressing well, its FY28 pipeline remains in the early stage of execution. We maintain 'BUY' on Power Grid (TP: INR331), considering its relatively stronger capitalization and execution visibility, and 'HOLD' on Adani Energy Solutions (TP: INR1,752).

Transmission pipeline strengthens, private players gain share: As of Jul'26, under-construction inter-state power transmission project pipeline increased by 12–13% since Dec'25, after adjusting for the ~INR208bn Leh-Pang project exclusion and INR280–290bn of lines commissioned during Dec'25–Jun'26. The higher under-construction pipeline provides better visibility on upcoming line commissioning. Private players' share also increased marginally to 46% in Jul'26 from 43% in Dec'25, driven by higher number of TBCB projects. Private players' with TBCB pipeline rose to INR1,212bn from INR1,124bn, while PWGR's remained broadly stable at INR1,281bn vs. INR1,240bn. Meanwhile, the RTM pipeline declined sharply to INR273bn from INR510bn, reflecting execution/commissioning of awarded projects.

Power Grid capitalization could surprise positively in FY28E: PL estimates PWGR's capitalization at INR300bn, INR350bn, INR450bn and INR500bn for FY27E, FY28E, FY29E and FY30E, respectively (vs. industry estimates of INR331bn, INR752bn, INR130bn and INR384bn), with the key upside potential concentrated in FY28E. For ADANIENS, PL estimates capitalization at INR126bn, INR139bn and INR436bn in FY27E, FY28E and FY30E, respectively (vs. industry estimates of INR123bn, INR126bn and INR346bn). Overall, PL estimates imply a more sustained capitalization trajectory for both PWGR and ADANIENS, particularly in FY29E–30E.

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PWGR capitalization heavily front-ended in Q1FY28 for FY28E: PWGR's capitalization is expected to see significant bunching in Q1FY28, with INR518bn of the INR752bn FY28 capitalization scheduled in the first quarter. This concentration provides strong visibility for FY28 capitalization; even if some projects face execution delays, a portion of the slippage could still be commissioned within FY28, given the relatively high annual pipeline. ADANIENS' capitalization is more evenly spread, with INR127bn in FY28 and INR347bn in FY30, while FY27 capitalization is concentrated in Q3–Q4.

PWGR's FY27 projects show strong execution visibility: As of Jul'26, PWGR's FY27 projects showed strong physical progress, with 95% foundations completed, 85% towers erected, 74% substation civil works completed and 61% equipment received, providing good visibility for FY27 capitalization. ADANIENS' FY27 projects are also progressing well, particularly on equipment receipt (82%) and substation civil works (80%). For FY28, PWGR has a much larger INR751bn project pipeline, with 67% foundations and 50% towers completed, indicating projects are already progressing and supporting FY28 capitalization visibility. In contrast, ADANIENS' FY28 projects are at an early stage, with only 17% foundations and 4% towers completed, suggesting greater execution ramp-up is required.

Exhibit 1: All-India under-construction inter-state power transmission projects up 12-13% as of Jul'26 vs. Dec'25

INR bn	Dec-25	Mar-26	Jul-26 *
PWGR	**1,733**	**1,750**	**1,548**
- TBCB	1,240	1,223	1,281
- RTM	493	527	266
Private players	**1,140**	**1,133**	**1,219**
- TBCB	1,124	1,126	1,212
- RTM	17	7	7
Total	**2,874**	**2,883**	**2,767**
- TBCB	2,364	2,349	2,493
- RTM	510	534	273
Share in TBCB and RTM combined			
- PWGR	60%	61%	56%
- Private players	43%	42%	46%

Source: CEA, industry reports

** Jul'26 data doesn't include INR208bn Leh-Pang project. From Dec'25 till Jun'26, industry has commissioned transmission lines of INR280-290bn*

Exhibit 2: Powergrid capitalization: Numbers could surprise on upside in FY28E

INR bn	FY27E	FY28E	FY29E	FY30E
CEA estimates	331	752	130	384
PL estimates	300	350	450	500

Source: CEA, industry reports & PL

Exhibit 3: Adani Energy capitalization

INR bn	FY27E	FY28E	FY29E	FY30E
CEA estimates	123	126	-	346
PL estimates	126	139	-	436

Source: CEA, industry reports & PL

Exhibit 4: CEA quarterly capitalization trend

INR bn	Q1	Q2	Q3	Q4	Total
PWGR					
- FY27E	53	85	86	107	**331**
- FY28E	518	96	125	13	**752**
- FY29E		34	18	79	**130**
- FY30E	321			62	**384**
ADANIENS					
- FY27E			59	64	**123**
- FY28E		73		53	**126**
- FY29E					**-**
- FY30E		226	120		**346**

Source: CEA, industry reports

Exhibit 5: Physical progress of power transmission lines to be commissioned in FY27E & FY28E (as of Jul'26)

Timeline	Capitalization (INR bn)	Tower No.	Foundations done (%)	Towers erected (%)	Substation civil works (%)	Equipment received (%)
FY27E						
PWGR	331	5,458	95%	85%	74%	61%
ADANIENS	123	2,755	89%	77%	80%	82%
FY28E						
PWGR	752	17,419	67%	50%	34%	26%
ADANIENS	126	2,031	17%	4%	15%	5%

Source: CEA, industry reports

Exhibit 6: Commissioning timeline of major power transmission lines of Powergrid

Route	Project details	Anticipated commissioning	Project cost (INR bn)
TBCB	Koppal-II & Gadag-II REZ Integration – Karnataka	Q2FY27	44
TBCB	Khavda RE Park Phase-III Part-B – 7GW	Q3FY27	42
TBCB	Rajasthan REZ Ph-IV Part-2 – 5.5GW, Part-D	Q3FY27	22
TBCB	Rajasthan REZ Phase-IV Part-2 – 5.5GW, Part-C	Q4FY27	27
TBCB	Rajasthan REZ Phase-III Part-D – 20GW	Q4FY27	24
TBCB	Rajasthan REZ Phase-IV Part-3 – 6GW, Bikaner-IV	Q1FY28	60
TBCB	Rajasthan REZ Phase-IV Part-4 – 3.5GW, Ghiror	Q1FY28	58
TBCB	Rajasthan REZ Phase-IV Part-3 – 6GW, Siwani	Q1FY28	54
TBCB	Rajasthan REZ Phase-V Part-1 – 4GW, Sirohi/Nagaur	Q1FY28	50
TBCB	Rajasthan REZ Phase-IV Part-1 – Bikaner-Neemrana	Q1FY28	47
TBCB	Rajasthan REZ Phase-IV Part-2 – 5.5GW, Kurawar	Q1FY28	37
TBCB	Rajasthan REZ Phase-IV Part-2 – 5.5GW, Sirohi	Q1FY28	33
TBCB	Rajasthan REZ Phase-IV Part-1 – Neemrana-Bareilly	Q1FY28	33
TBCB	Rajasthan REZ Phase-IV Part-2 – 5.5GW, Mewar	Q1FY28	33
TBCB	Rajasthan REZ Phase-IV Part-2 – 5.5GW, Barmer-I	Q1FY28	27
TBCB	Kurnool-III PS – RE Strengthening	Q1FY28	29
TBCB	Kurnool-IV REZ Integration – Phase-I, 4.5GW	Q2FY28	56

Route	Project details	Anticipated Commissioning	Project cost (INR bn)
TBCB	Davanagere/Chitradurga & Bellary REZ – Karnataka	Q2FY28	35
TBCB	Khavda REZ Phase-IV Part-B – 7GW	Q3FY28	48
RTM	Kurnool Wind/Solar Energy Zone – Part A & B	Q3FY28	35
TBCB	NR-WR Transmission Strengthening – Vindhyachal-Varanasi	Q3FY28	24
RTM	Offshore Wind Zone Phase-I – 500MW, Gujarat	Q4FY29	69
TBCB	Khavda REZ Phase-V Part-A – 8GW	Q1FY30	248
TBCB	WR-ER Inter-Regional Network Expansion – Part A	Q1FY30	63
RTM	Tamil Nadu Offshore Wind – 500MW	Q4FY30	62
RTM	Pusauli HVDC Upgradation	Q4FY31	34

Source: CEA, industry reports

Exhibit 7: Commissioning timeline of Major power transmission lines of Adani Energy Solutions

Route	Project details	Anticipated commissioning	Project cost (INR bn)
TBCB	Khavda RE Park Phase-III Part-A – 7GW	Q3FY27	31
TBCB	WR-SR ISTS Network Expansion – High RE Scenario	Q3FY27	21
TBCB	Khavda REZ Phase-IV Part-A – 7GW	Q4FY27	41
TBCB	Navinal (Mundra) Network Expansion – Gujarat	Q4FY27	24
TBCB	Jamnagar Network Expansion – 3.6GW Load	Q2FY28	38
TBCB	Khavda REZ Phase-IV Part-D – 7GW	Q2FY28	35
TBCB	Mundra Green H_2/NH_3 Supply – 3GW	Q4FY28	28
TBCB	Rajasthan REZ Phase-III Part-I – 20GW	Q2FY30	227
TBCB	Khavda REZ Phase-V Part-C – 8GW	Q3FY30	120

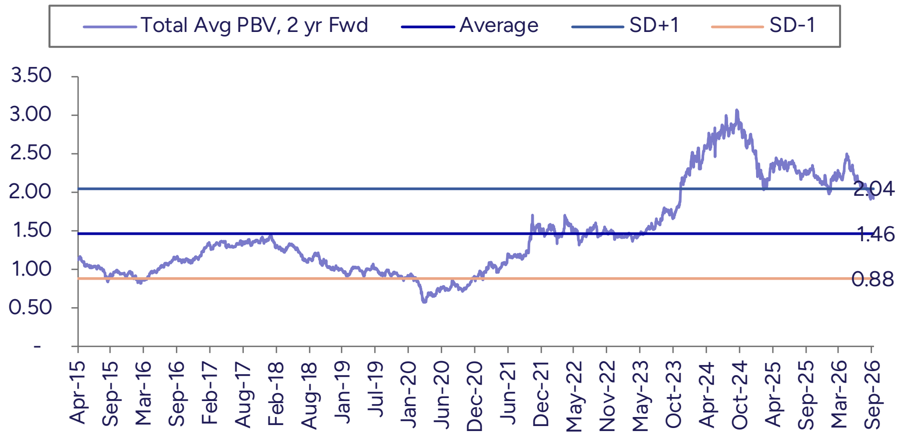
Source: CEA, industry reports

Exhibit 8: Valuation snapshot

Stock	MCap (INR bn)	TP (INR)	Upside %	Rating	CAGR FY26-28E	CAGR Parameter	P/B (x)		EV/EBITDA (x)		P/E (x)		RoE (%)	
							FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
CESC	189	220	55%	BUY	15%	EBITDA	1.4	1.3	8	7	11	11	13	13
COAL	2,601	472	12%	ACCUMULATE	8%	EBITDA	1.9	1.7	5	5	8	8	26	23
IEX	99	135	21%	HOLD	13%	PAT	6.6	5.8	13	11	18	16	38	38
NTPC (S)	3,181	430	31%	BUY	7%	PAT	1.7	1.6	10	9	15	14	12	12
PWGR	2,455	331	25%	BUY	6%	PAT	2.3	2.2	9	9	15	14	15	16
TPWR	1,157	430	19%	ACCUMULATE	14%	EBITDA	2.6	2.3	11	10	26	23	11	11
ADANIENS	1,627	1,752	29%	HOLD	34%	EBITDA	5.6	4.9	20	17	46	36	13	15
JSW	931	646	27%	BUY	16%	EBITDA	2.6	2.5	13	13	56	51	5	5

Source: Company, PL

Exhibit 9: Valuation band of utilities



Source: Ace Equity Average of NTPC, Powergrid, CESC and Tata Power 1 year fwd PBV

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Adani Energy Solutions	HOLD	1752	1724
2	Ahluwalia Contracts (India)	Buy	930	837
3	Ashoka Buildcon	BUY	150	114
4	CESC	BUY	220	165
5	Coal India	Accumulate	472	410
6	Dilip Buildcon	Accumulate	507	422
7	H.G. Infra Engineering	Accumulate	622	523
8	Indian Energy Exchange	Hold	135	124
9	IRCON International	HOLD	136	126
10	JSW Energy	Buy	646	562
11	KNR Constructions	HOLD	126	132
12	NCC	BUY	195	146
13	NTPC	BUY	450	351
14	PNC Infratech	BUY	271	210
15	Power Grid Corporation of India	BUY	331	272
16	PSP Projects	Accumulate	1062	951
17	Rail Vikas Nigam	SELL	165	228
18	RITES	BUY	267	216
19	Tata Power Company	Accumulate	414	371

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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