

**BUY**

TP: Rs 251 | ▲ 18%

**POWER GRID CORP**

| Power

| 02 February 2023

## Steady quarter; upgrade to BUY post correction

- **Steady Q3 performance with 11% YoY growth each in revenue and net profit**
- **Capex target of Rs 88bn and capitalisation target of Rs 100bn for FY24; strong interim dividend payout at Rs 10/sh in FY23 YTD**
- **We cut FY23 EPS 12% on a weak outlook for JVs but find risk-reward favourable post recent correction – upgrade to BUY, TP Rs 251**

**Anupam Goswami**  
research@bobcaps.in

**Steady quarter:** PWGR reported stable revenue at Rs 114bn in Q3FY23 (Rs 11bn excluding regulated income), an increase of 11% YoY. EBITDA/PAT grew by 12%/11% YoY to Rs 101bn/Rs 36bn. Growth was aided by a 7.3% rise in transmission income to Rs 105bn and a 13% increase in telecom income to Rs 2.1bn. However, consultancy revenue was flat YoY at Rs 1.7bn. Other income declined 3% YoY to Rs 2.7bn due to lower late payment surcharge. Interest expense increased 63% YoY to Rs 30.1bn, mainly on account of a resetting of interest rates.

**Capex to pick up from FY25:** PGWR capitalised assets worth Rs 21bn and incurred capex of Rs 22bn (consolidated) in Q3. For 9MFY23, capitalisation/capex stood at Rs 52bn/Rs 54bn, with targets of Rs 100bn/Rs 88bn for FY24. Capex is expected to increase to ~Rs 120bn p.a. from FY25 as work on the Leh transmission line will begin.

**Rising competition to undermine margins:** Due to intense competition in transmission projects, margins for the new tariff-based competitive bids (TBCB) are expected to be under pressure as PWGR looks to retain its 50% market share.

**Asset monetisation likely to be deferred:** PWGR intends to move away from the Infrastructure Investment Trust (InvIT) route in order to monetise its assets. The company's monetisation target for FY23 is at Rs 75bn, of which Rs 66bn is pending.

**Second interim dividend:** PWGR has announced a second interim dividend of Rs 5/sh, taking total dividend in FY23 YTD to Rs 10/sh.

**Raise to BUY post correction:** PWGR's Q3 results were in line with our estimates. However, given an expected decline in JV earnings due to higher interest cost, we cut our FY23 EPS estimate by 12% while marginally adjusting FY24/FY25 forecasts. We remain cautious on scale-up of PWGR's transmission network given the decreasing opportunities and intense bidding competition, but upgrade our rating on the company from HOLD to BUY as the risk-reward has turned favourable post the 5% stock correction over the past one week. Our DCF-based TP remains unchanged at Rs 251 (implied FY25E P/B of 1.7x), but now offers 18% upside.

## Key changes

| Target | Rating |
|--------|--------|
| ◀ ▶    | ▲      |

|                  |                |
|------------------|----------------|
| Ticker/Price     | PWGR IN/Rs 213 |
| Market cap       | US\$ 18.0bn    |
| Free float       | 49%            |
| 3M ADV           | US\$ 23.5mn    |
| 52wk high/low    | Rs 248/Rs 186  |
| Promoter/FPI/DII | 51%/33%/16%    |

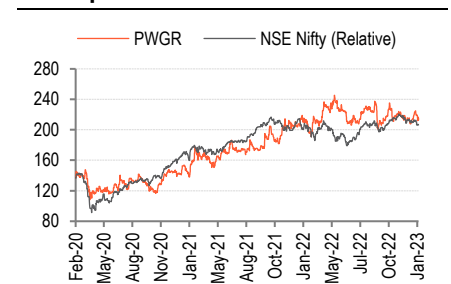
Source: NSE | Price as of 2 Feb 2023

## Key financials

| Y/E 31 Mar              | FY22A    | FY23E    | FY24E    |
|-------------------------|----------|----------|----------|
| Total revenue (Rs mn)   | 4,10,866 | 4,58,418 | 4,87,415 |
| EBITDA (Rs mn)          | 3,60,372 | 3,95,388 | 4,30,175 |
| Adj. net profit (Rs mn) | 1,63,648 | 1,72,987 | 2,12,598 |
| Adj. EPS (Rs)           | 23.5     | 24.8     | 30.5     |
| Consensus EPS (Rs)      | 23.5     | 23.2     | 28.6     |
| Adj. ROAE (%)           | 22.1     | 20.8     | 23.2     |
| Adj. P/E (x)            | 9.1      | 8.6      | 7.0      |
| EV/EBITDA (x)           | 0.3      | 0.4      | 0.4      |
| Adj. EPS growth (%)     | 3.0      | 28.1     | 22.9     |

Source: Company, Bloomberg, BOBCAPS Research

## Stock performance



Source: NSE



**Fig 1 – Quarterly performance**

| Particulars (Rs mn)     | Q3FY23  | Q3FY22  | YoY (%) | Q2FY23  | QoQ (%)  |
|-------------------------|---------|---------|---------|---------|----------|
| Revenue                 | 114,937 | 103,783 | 10.7    | 111,146 | 3.4      |
| EBITDA                  | 101,253 | 90,487  | 11.9    | 93,899  | 7.8      |
| EBITDA margin (%)       | 88.1    | 87.2    | 91bps   | 84.5    | 361bps   |
| Depreciation            | 34,068  | 32,855  | 3.7     | 33,173  | 2.7      |
| Finance Cost            | 30,118  | 18,451  | 63.2    | 21,874  | 37.7     |
| Other Income            | 2,684   | 2,767   | (3.0)   | 1,989   | 35.0     |
| Share of Profit from JV | 2       | (166)   | 101     | (244)   | 100.7    |
| Exceptional items       | 0       | 0       | 0.0     | 0       | 0.0      |
| PBT                     | 39,753  | 41,782  | (4.9)   | 40,597  | (2.1)    |
| Tax Expense             | 3,300   | 8,853   | (62.7)  | 4,096   | (19.4)   |
| Reported PAT            | 36,453  | 32,930  | 10.7    | 36,502  | (0.1)    |
| Adjusted PAT            | 36,453  | 32,930  | 10.7    | 36,502  | (0.1)    |
| Adj. PAT margin (%)     | 31.7    | 31.7    | (1bps)  | 33      | (112bps) |
| EPS (Rs.)               | 5.2     | 4.7     | 10.7    | 5.2     | (0.1)    |

Source: Company, BOBCAPS Research

**Fig 2 – Segmental performance**

| Particulars (Rs mn)       | Q3FY23  | Q3FY22 | YoY (%)  | Q2FY23  | QoQ (%)  |
|---------------------------|---------|--------|----------|---------|----------|
| <b>Revenue</b>            |         |        |          |         |          |
| Transmission              | 105,176 | 98,006 | 7.3      | 104,118 | 1.0      |
| Consultancy               | 1,717   | 1,714  | 0.1      | 1,392   | 23.3     |
| Telecom                   | 2,096   | 1,852  | 13.2     | 2,050   | 2.2      |
| <b>Segment Profit</b>     |         |        |          |         |          |
| Transmission              | 63,285  | 54,544 | 16.0     | 56,620  | 11.8     |
| Consultancy               | 784     | 572    | 37.1     | 400     | 96.3     |
| Telecom                   | 858     | 692    | 24.0     | 770     | 11.5     |
| <b>Segment margin (%)</b> |         |        |          |         |          |
| Transmission              | 60.2    | 55.7   | 452bps   | 54.4    | 579bps   |
| Consultancy               | 45.7    | 33.4   | 1,231bps | 28.7    | 1,698bps |
| Telecom                   | 40.9    | 37.4   | 359bps   | 37.6    | 339bps   |

Source: Company, BOBCAPS Research

**Fig 3 – Actual vs. Estimates**

| Particulars (Rs mn) | Actual  | Estimate | Variance (%) |
|---------------------|---------|----------|--------------|
| Revenue             | 114,937 | 108,522  | 5.9          |
| EBITDA              | 101,253 | 92,865   | 9.0          |
| EBITDA margin (%)   | 88.1    | 85.6     | 252bps       |
| Adjusted PAT        | 36,453  | 35,410   | 2.9          |

Source: Company, BOBCAPS Research

## Earnings call highlights

- New project bids remained muted in 9MFY23. In the course of the next 12 months, management expects bids to pick up to Rs 400bn-500bn – of this, Rs 220bn is already under bidding and Rs 330bn has been approved. PWGR sees ~Rs 2.4tn worth of opportunities in inter-state transmission systems over the next 7-10 years
- Management expects to capitalise assets worth Rs 100bn in FY24 on a consolidated level, a majority of which will be TBCB.
- Margins are under pressure due to intense competition. The company is focusing on market share and indicated that it may have to forego some amount of returns as a trade-off.
- The company aims to install ~10mn smart meters worth Rs 55bn in two years in conjunction with joint ventures under the Energy Efficiency Services (EESL) scheme. PWGR has 33% market share in this segment.
- PWGR had targeted Rs 75bn of asset monetisation for FY23 but is well away from meeting this goal due to the uptick in interest rates and decline in valuations compared to that of the initial InvIT offering. Management indicated that instead of monetising assets through InvITs, it is looking at securitisation of ~Rs 30bn in cash flows during FY23. Exiting PTC is also an option.
- Opportunities in the next five years include strong visibility in renewable energy and related transmission, potential in battery storage, and in transmission for hydrogen and offshore wind projects.

## Valuation methodology

The stock is currently trading at 1.5x FY25E P/B. Given an expected decline in JV earnings due to higher interest costs, we cut our FY23 EPS estimate by 12% while marginally adjusting FY24/FY25 forecasts. We remain cautious on scale-up of PWGR's transmission network given the decreasing opportunities and intense bidding competition, but upgrade our rating on the company from HOLD to BUY as the risk-reward has turned favourable post the 5% stock correction over the past one week. Our DCF-based TP remains unchanged at Rs 251 (implied FY25E P/B of 1.7x), but now offers 18% upside.

Our DCF valuation factors in capex of Rs 700bn and capitalisation of Rs 750bn for the transmission business over FY24-FY27. However, we have not included capex on other businesses, including smart metering, as we await further clarity on the revenue model. We expect the payout ratio to increase to 55% and dividend yield to rise to ~7% in FY25.

**Fig 4 – Revised estimates**

| (Rs mn)           | New     |         |         | Old     |         |         | Change (%) |       |       |
|-------------------|---------|---------|---------|---------|---------|---------|------------|-------|-------|
|                   | FY23E   | FY24E   | FY25E   | FY23E   | FY24E   | FY25E   | FY23E      | FY24E | FY25E |
| Revenue           | 458,418 | 487,415 | 512,612 | 458,418 | 487,418 | 512,612 | 0.0        | 0.0   | 0.0   |
| EBITDA            | 395,388 | 430,175 | 451,666 | 404,973 | 430,175 | 451,666 | (2.4)      | 0.0   | 0.0   |
| EBITDA margin (%) | 86.3    | 88.3    | 88.1    | 88.3    | 88.3    | 88.1    | (209bps)   | 0bps  | 0bps  |
| Adjusted PAT      | 172,989 | 212,601 | 227,489 | 196,087 | 215,734 | 231,052 | (11.8)     | (1.5) | (1.5) |

Source: Company, BOBCAPS Research

**Fig 5 – Valuation summary**

| Particulars (Rs mn)  | FY23E      | FY24E      | FY25E      | FY26E      | FY27E      | FY28E      | FY29E      | FY30E      | FY31E      |
|----------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>DCF</b>           |            |            |            |            |            |            |            |            |            |
| PAT                  | 1,72,987   | 2,12,598   | 2,27,485   | 2,38,665   | 2,38,299   | 2,38,517   | 2,39,424   | 2,40,928   | 2,42,650   |
| Depreciation         | 1,39,166   | 1,46,161   | 1,51,986   | 1,56,736   | 1,60,613   | 1,63,526   | 1,65,574   | 1,66,866   | 1,67,484   |
| Capex                | (1,53,504) | (1,68,854) | (1,85,740) | (1,76,453) | (1,67,630) | (1,59,249) | (1,51,286) | (1,43,722) | (1,36,536) |
| Net borrowings       | (62,414)   | (27,963)   | (42,437)   | (51,641)   | (59,852)   | (66,973)   | (73,103)   | (78,347)   | (71,909)   |
| Change in WC         | 50,585     | (8,389)    | (4,941)    | 631        | 1,381      | 1,569      | 1,733      | 1,898      | 2,072      |
| FCFE                 | 1,46,820   | 1,53,553   | 1,46,353   | 1,67,938   | 1,72,811   | 1,77,390   | 1,82,341   | 1,87,622   | 2,03,761   |
| Discounted Value     | 1,44,163   | 1,40,150   | 1,24,167   | 1,32,440   | 1,26,681   | 1,20,875   | 1,15,495   | 1,10,467   | 1,11,516   |
| Terminal Value       | 37,24,668  | -          | -          | -          | -          | -          | -          | -          | -          |
| PV of Terminal Value | 20,38,461  | -          | -          | -          | -          | -          | -          | -          | -          |
| EV                   | 32,24,858  | -          | -          | -          | -          | -          | -          | -          | -          |
| Debt                 | 14,75,951  | -          | -          | -          | -          | -          | -          | -          | -          |
| Equity Value         | 17,48,907  | -          | -          | -          | -          | -          | -          | -          | -          |
| No. of shares        | 6,975      | -          | -          | -          | -          | -          | -          | -          | -          |
| Value per Share (Rs) | 251        | -          | -          | -          | -          | -          | -          | -          | -          |

Source: Company, BOBCAPS Research

## Key risks

Key downside risks to our estimates are:

- slow order flows, and
- a rapid opening up of the sector to private players, leading to more projects being bid out under the TBCB model.

## Sector recommendation snapshot

| Company         | Ticker  | Market Cap (US\$ bn) | Price (Rs) | Target (Rs) | Rating |
|-----------------|---------|----------------------|------------|-------------|--------|
| CESC            | CESC IN | 1.2                  | 72         | 108         | BUY    |
| NTPC            | NTPC IN | 19.7                 | 167        | 210         | BUY    |
| Power Grid Corp | PWGR IN | 18.0                 | 213        | 251         | BUY    |
| Tata Power      | TPWR IN | 8.0                  | 206        | 271         | BUY    |

Source: BOBCAPS Research, NSE | Price as of 2 Feb 2023

## Financials

### Income Statement

| Y/E 31 Mar (Rs mn)         | FY21A           | FY22A           | FY23E           | FY24E           | FY25E           |
|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Total revenue</b>       | <b>4,00,015</b> | <b>4,10,866</b> | <b>4,58,418</b> | <b>4,87,415</b> | <b>5,12,612</b> |
| EBITDA                     | 3,53,548        | 3,60,372        | 3,95,388        | 4,30,175        | 4,51,666        |
| Depreciation               | (1,20,392)      | (1,28,717)      | (1,39,166)      | (1,46,161)      | (1,51,986)      |
| EBIT                       | 2,33,156        | 2,31,655        | 2,56,222        | 2,84,014        | 2,99,680        |
| Net interest inc./(exp.)   | (81,347)        | (80,362)        | (95,880)        | (77,727)        | (76,144)        |
| Other inc./(exp.)          | 11,837          | 10,816          | 39,578          | 39,578          | 39,578          |
| Exceptional items          | (10,786)        | 33,203          | 0               | 0               | 0               |
| EBT                        | 1,52,860        | 1,95,312        | 1,99,920        | 2,45,865        | 2,63,113        |
| Income taxes               | (34,643)        | (27,856)        | (27,446)        | (33,804)        | (36,194)        |
| Extraordinary items        | 0               | 0               | 0               | 0               | 0               |
| Min. int./Inc. from assoc. | 2,147           | 785             | 513             | 538             | 565             |
| <b>Reported net profit</b> | <b>1,20,365</b> | <b>1,68,241</b> | <b>1,72,987</b> | <b>2,12,598</b> | <b>2,27,485</b> |
| Adjustments                | (2,468)         | 4,593           | 0               | 0               | 0               |
| <b>Adjusted net profit</b> | <b>1,22,833</b> | <b>1,63,648</b> | <b>1,72,987</b> | <b>2,12,598</b> | <b>2,27,485</b> |

### Balance Sheet

| Y/E 31 Mar (Rs mn)              | FY21A            | FY22A            | FY23E            | FY24E            | FY25E            |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|
| Accounts payables               | 1,875            | 2,671            | 3,448            | 2,761            | 2,905            |
| Other current liabilities       | 1,51,175         | 1,34,119         | 1,36,154         | 1,37,192         | 1,38,240         |
| Provisions                      | 13,071           | 16,843           | 14,979           | 16,177           | 17,472           |
| Debt funds                      | 14,32,143        | 13,46,956        | 12,84,542        | 12,56,580        | 12,14,143        |
| Other liabilities               | 2,59,270         | 2,46,374         | 2,46,374         | 2,46,374         | 2,46,374         |
| Equity capital                  | 52,316           | 69,755           | 69,755           | 69,755           | 69,755           |
| Reserves & surplus              | 6,47,045         | 6,92,717         | 7,61,072         | 8,48,112         | 9,36,088         |
| Shareholders' fund              | 6,99,361         | 7,62,471         | 8,30,826         | 9,17,867         | 10,05,842        |
| <b>Total liab. and equities</b> | <b>25,56,895</b> | <b>25,09,434</b> | <b>25,16,324</b> | <b>25,76,951</b> | <b>26,24,975</b> |
| Cash and cash eq.               | 53,587           | 50,482           | 90,600           | 1,16,524         | 1,21,294         |
| Accounts receivables            | 86,294           | 94,751           | 40,570           | 43,148           | 42,551           |
| Inventories                     | 13,669           | 13,572           | 14,568           | 15,156           | 15,730           |
| Other current assets            | 33,300           | 64,796           | 70,952           | 77,725           | 85,174           |
| Investments                     | 14,856           | 37,876           | 37,947           | 38,017           | 38,091           |
| Net fixed assets                | 18,21,090        | 19,00,484        | 19,91,574        | 20,64,923        | 21,17,251        |
| CWIP                            | 2,46,798         | 1,27,999         | 51,247           | 591              | (17,983)         |
| Intangible assets               | 17,749           | 17,782           | 17,782           | 17,782           | 17,782           |
| Deferred tax assets, net        | 0                | 0                | 0                | 0                | 0                |
| Other assets                    | 2,69,551         | 2,01,694         | 2,01,085         | 2,03,085         | 2,05,085         |
| <b>Total assets</b>             | <b>25,56,895</b> | <b>25,09,434</b> | <b>25,16,324</b> | <b>25,76,951</b> | <b>26,24,975</b> |

### Cash Flows

| Y/E 31 Mar (Rs mn)                 | FY21A             | FY22A             | FY23E             | FY24E             | FY25E             |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Cash flow from operations</b>   | <b>1,72,721</b>   | <b>1,32,511</b>   | <b>3,17,445</b>   | <b>2,79,931</b>   | <b>2,96,683</b>   |
| Capital expenditures               | (93,636)          | (79,662)          | (1,53,504)        | (1,68,854)        | (1,85,740)        |
| Change in investments              | (3,414)           | 27,041            | (70)              | (70)              | (74)              |
| Other investing cash flows         | 7,320             | 60,150            | 0                 | 0                 | 0                 |
| <b>Cash flow from investing</b>    | <b>(89,730)</b>   | <b>7,528</b>      | <b>(1,53,574)</b> | <b>(1,68,925)</b> | <b>(1,85,814)</b> |
| Equities issued/Others             | 0                 | 0                 | 0                 | 0                 | 0                 |
| Debt raised/repaid                 | (45,854)          | (93,343)          | (62,414)          | (27,963)          | (42,437)          |
| Interest expenses                  | (91,137)          | (88,207)          | (95,880)          | (77,727)          | (76,144)          |
| Dividends paid                     | (68,220)          | (1,08,120)        | (1,04,632)        | (1,25,558)        | (1,39,509)        |
| Other financing cash flows         | (9)               | (8)               | (7)               | (6)               | (5)               |
| <b>Cash flow from financing</b>    | <b>(2,05,220)</b> | <b>(2,89,677)</b> | <b>(2,62,932)</b> | <b>(2,31,254)</b> | <b>(2,58,095)</b> |
| <b>Chg in cash &amp; cash eq.</b>  | <b>(1,22,228)</b> | <b>(1,49,639)</b> | <b>(99,062)</b>   | <b>(1,20,249)</b> | <b>(1,47,226)</b> |
| <b>Closing cash &amp; cash eq.</b> | <b>44,872</b>     | <b>25,771</b>     | <b>65,889</b>     | <b>91,813</b>     | <b>96,583</b>     |

### Per Share

| Y/E 31 Mar (Rs)      | FY21A | FY22A | FY23E | FY24E | FY25E |
|----------------------|-------|-------|-------|-------|-------|
| Reported EPS         | 17.3  | 24.1  | 24.8  | 30.5  | 32.6  |
| Adjusted EPS         | 17.6  | 23.5  | 24.8  | 30.5  | 32.6  |
| Dividend per share   | 9.8   | 15.5  | 15.0  | 18.0  | 20.0  |
| Book value per share | 100.3 | 109.3 | 119.1 | 131.6 | 144.2 |

### Valuations Ratios

| Y/E 31 Mar (x) | FY21A | FY22A | FY23E | FY24E | FY25E |
|----------------|-------|-------|-------|-------|-------|
| EV/Sales       | 0.4   | 0.2   | 0.3   | 0.4   | 0.5   |
| EV/EBITDA      | 0.4   | 0.3   | 0.4   | 0.4   | 0.5   |
| Adjusted P/E   | 12.1  | 9.1   | 8.6   | 7.0   | 6.5   |
| P/BV           | 2.1   | 1.9   | 1.8   | 1.6   | 1.5   |

### DuPont Analysis

| Y/E 31 Mar (%)               | FY21A       | FY22A       | FY23E       | FY24E       | FY25E       |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| Tax burden (Net profit/PBT)  | 78.7        | 86.1        | 86.5        | 86.5        | 86.5        |
| Interest burden (PBT/EBIT)   | 70.2        | 70.0        | 78.0        | 86.6        | 87.8        |
| EBIT margin (EBIT/Revenue)   | 58.3        | 56.4        | 55.9        | 58.3        | 58.5        |
| Asset turnover (Rev./Avg TA) | 15.6        | 16.4        | 18.2        | 18.9        | 19.5        |
| Leverage (Avg TA/Avg Equity) | 3.7         | 3.3         | 3.0         | 2.8         | 2.6         |
| <b>Adjusted ROAE</b>         | <b>18.4</b> | <b>18.3</b> | <b>20.8</b> | <b>23.2</b> | <b>22.6</b> |

### Ratio Analysis

| Y/E 31 Mar                                   | FY21A      | FY22A      | FY23E      | FY24E      | FY25E      |
|--|------------|------------|------------|------------|------------|
| <b>YoY growth (%)</b>                        |            |            |            |            |            |
| Revenue                                      | 5.0        | 5.0        | 9.7        | 6.4        | 5.2        |
| EBITDA                                       | 1.5        | 2.7        | 11.6       | 6.3        | 5.2        |
| Adjusted EPS                                 | 18.6       | 3.0        | 28.1       | 22.9       | 7.0        |
| <b>Profitability &amp; Return ratios (%)</b> |            |            |            |            |            |
| EBITDA margin                                | 88.4       | 87.7       | 86.3       | 88.3       | 88.1       |
| EBIT margin                                  | 58.3       | 56.4       | 55.9       | 58.3       | 58.5       |
| Adjusted profit margin                       | 30.7       | 39.8       | 37.7       | 43.6       | 44.4       |
| Adjusted ROAE                                | 17.2       | 22.1       | 20.8       | 23.2       | 22.6       |
| ROCE   | 10.9       | 11.0       | 12.1       | 13.1       | 13.5       |
| <b>Working capital days (days)</b>           |            |            |            |            |            |
| Receivables                                  | 78         | 83         | 32         | 32         | 30         |
| Inventory                                    | 12         | 12         | 11         | 11         | 11         |
| Payables                                     | 2          | 2          | 3          | 2          | 2          |
| <b>Ratios (x)</b>                            |            |            |            |            |            |
| Gross asset turnover                         | 0.2        | 0.2        | 0.2        | 0.2        | 0.2        |
| Current ratio                                | 1.2        | 1.6        | 1.6        | 1.8        | 1.9        |
| Net interest coverage ratio                  | 2.9        | 2.9        | 2.7        | 3.7        | 3.9        |
| <b>Adjusted debt/equity</b>                  | <b>2.0</b> | <b>1.8</b> | <b>1.5</b> | <b>1.4</b> | <b>1.2</b> |

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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**Recommendation scale: Recommendations and Absolute returns (%) over 12 months**

**BUY** – Expected return >+15%

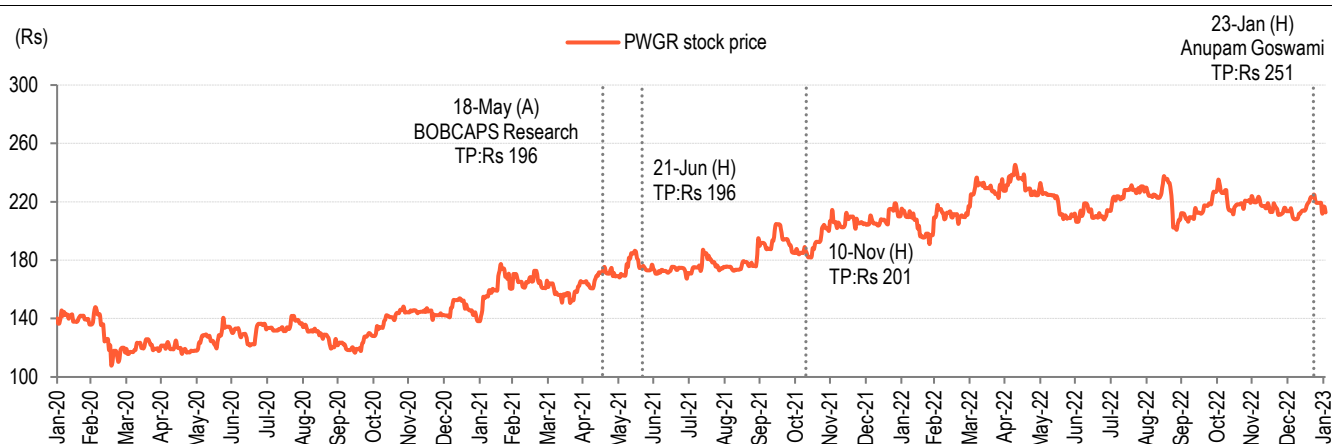
**HOLD** – Expected return from -6% to +15%

**SELL** – Expected return <-6%

**Note:** Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above

### Ratings and Target Price (3-year history): POWER GRID CORP (PWGR IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

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