

7th August 2025

Close* – ₹385.55/-

View – Hold

Q1FY26 Quarterly Result Highlight

Tata Power Ltd. posted Q1FY26 revenue of ₹18,035crs up +4%YoY/ +5%QoQ and EBITDA of ₹3,568crs, up +15%YoY/ +3%QoQ. PAT for the quarter came in at ₹1,060crs, up +9%YoY/+2%QoQ. Ramp up in Solar module and cell manufacturing leading to more than 90% utilization and healthy performance by renewables segment on account of solar EPC execution were the key drivers for the quarter.

➤ **Solar EPC** – Revenue for the segment stood at ₹2,508crs up (+16% YoY/-19% QoQ). The EBITDA margin improved significantly by ~400bps QoQ to ~11.5%. PAT for the quarter stood at ₹198crs up +21% QoQ. During the quarter, projects totaling 652 MW including 94 MW for captive portfolio and 560 MW for 3rd party EPC were commissioned.

➤ **Solar Cell & Module** – During the quarter, 107 MW of modules and 54 MW of cells were sold to 3rd party, order value was at ₹1,303crs. Revenue for Q1FY26 stood at ₹1,506crs rising +51% YoY/+7% QoQ. Margins moderated sequentially by -822bps (+786bps YoY) to 19%, with EBITDA coming at ₹299crs, up +162% YoY (-26% QoQ). During the quarter, record rooftop installations of 270 MWp were achieved.

➤ **Management Concall Highlights –**

1. Section 11 expired in June 2025. Discussions with procurers are underway.
2. In last several years, power consumption witnessed demand moderation in Q1FY26, due to early onset of monsoon.
3. There is a huge power demand in Mumbai. Thus, to capture this demand, the company aims to augment the capacity of transmission, by incurring an annual capex of ₹600-700crs every year.
4. Distribution business is performing well, as the company was able to clear up majority of challenges in terms of billings, etc. which is resulting in performance improvement.
5. Capex for the quarter stood at ₹3,700crs in Q1FY26, and the company aims to incur ~₹25,000crs in FY26.
6. Maintenance related shutdown undertaken at Mundra plant's all five units. Discussions with procurers are going on and the management believes to have a breakthrough soon.
7. Work on Pumped Hydro Power projects started in Q1FY26. It is expected to get commissioned in 2029.
8. Transmission projects are progressing well and two of them are expected to be completed in Q2FY26, and the balance will be completed over next 3-4 quarters.
9. Under Renewable EPC, projects for 5.4 GW are in pipeline. Post this execution, the company may look at executing third party orders.
10. UP Govt.'s discussion on privatization is going on and is expected to come up with bids soon and the company is keen on pursuing the opportunity.

Important Statics

Nifty	24,574
Sensex	80,544
Close* (₹)	385.55
Mcap (₹ tn)	~₹1.20
52 Week H/L (₹)	495/326
NSE Code	TATAPOWER
BSE Code	500400
Bloomberg Code	TPWR:IN

Close* as on 6th Aug 2025

Shareholding pattern (%) Jun'25

Promoter Holding	46.86
FII	10.06
DII	16.28
Public & Others	26.80

Financials

Particulars	(₹ crs)		
	FY23	FY24	FY25
Revenue	56,033	61,542	64,502
EBITDA Margin	15%	18%	20%
PAT	3,336	3,696	3,971
PAT Margin	6%	6%	6%
EPS	10	12	12
RoE	13%	12%	12%

Source: Company, Way2Wealth

Relative Performance

Returns	1 Yr	3Yr	5 Yr
TATA Power	-10%	66%	602%
Nifty 50	1%	40%	117%
Sensex	1%	37%	110%

Source: Company, Way2Wealth

Valuation

Tata Power Ltd. earnings performance in Q1FY26 indicates to an improving performance trajectory for the company. Management has been able to get away with some of the issues in T&D to a certain extent, which was reflected in healthy performance. Positive developments in UP Discom privatization and expansion opportunities in Maharashtra could be the levers for this segment. Solar module and cell manufacturing ramped up well during the quarter and with strong demand for captive as well as third party EPC, the company may see market share gains going forward. While the current shutdowns at all the units of Mundra plant may dent earnings for the next quarter, the management is hopeful of reaching a conclusion soon by signing an SPPA agreement. We believe multiple growth levers in terms of strong demand for RE projects, healthy execution pipeline and a possible resolution for Mundra plant soon, would keep up the company's performance trajectory in-tact over the medium term and hence **recommend to HOLD the stock**.

Prasad Hase

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Consolidated Financial Highlights

(₹ crs)

Particulars	1QFY26	1QFY25	% YoY	4QFY25	% QoQ	FY25	FY24	% YoY
Revenue from Operations	18,035	17,294	4%	17,096	5%	65,478	61,449	7%
Movement in Rgltr. Deferral Balances	-571	-484	18%	232	-346%	-976	93	-1145%
Total Op. Income	17,464	16,810	4%	17,328	1%	64,502	61,542	5%
EBITDA	3,568	3,102	15%	3,478	3%	12,954	10,877	19%
Depreciation & Amort. Expense	1,161	973	19%	1,116	4%	4,117	3,786	9%
EBIT	2,407	2,129	13%	2,361	2%	8,837	7,091	25%
Other Income	362	247	46%	351	3%	1,514	1,823	-17%
Interest Expense	1,279	1,176	9%	1,213	5%	4,702	4,633	1%
Profit Before Tax	1,490	1,200	24%	1,499	-1%	5,648	4,281	32%
Tax Expense	357	302	18%	294	22%	1,544	1,452	6%
Minority Interest & Share of Assoc.	-73	72	-202%	-181	-60%	-11	594	-102%
Profit After Tax (Reported)	1,060	970	9%	1,025	3%	4,093	3,423	20%
Extra Ord. Items	-	-		18		-122	273	-145%
Reported PAT	1,060	970	9%	1,043	2%	3,971	3,696	7%
EPS	3	3	9%	3	2%	12	12	7%

Source: Company, Way2wealth Research



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Disclosure of Interest Statement: Tata Power Company Ltd. as on August 7th, 2025

Name of the Security	Tata Power Company Ltd.
Name of the analyst	Prasad Hase
Analysts' ownership of any stock related to the information contained	NIL
Financial Interest	
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
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