25th August 2026 | Close* – ₹373.50/- | View – **Accumulate**

Key Highlights – Q1FY27: Broad-based growth; renewables & T&D lead

- **Tata** Power posted its **27th consecutive quarter** of YoY PAT & EBITDA growth. Consolidated **PAT rose 11% YoY to ₹1,401crs** (₹1,176crs attributable to owners, +11% YoY / +18% QoQ).
- **Headline metrics:** Revenue ₹18,898crs (+8% YoY) and EBITDA ₹4,249crs (+8% YoY); the core trio of Generation, T&D and Renewables grew revenue/EBITDA/PAT **+12% / +12% / +14% YoY**.
- **Renewables – the engine:** cluster PAT +15% YoY to ₹612crs, with **TP Solar manufacturing PAT at 3.9x YoY (₹371crs)** and rooftop PAT at 1.7x (₹145crs).
- **Regulated strength:** T&D PAT +11% YoY (₹492crs), EBITDA +14% (₹1,541crs); Generation & Coal surprised with **PAT +27% YoY (₹635crs)** on Mumbai, Maithon and Haldia.
- **Record ₹5,375crs quarterly capex**; RE portfolio at **12 GW** (6.7 GW operational + 5.3 GW under construction). Board cleared debt issuance of up to ₹4,500crs.
- **Watch items:** standalone PAT fell 47% YoY (₹277crs) on higher fuel costs, D/E rose to 1.63x, and an **unprovided SIAC/Kleros arbitration** (~USD 490 mn) remains a tail risk.
- We stay constructive but valuation-aware — **View: Accumulate** (fair value ~₹435).

Important Statistics

Nifty	24,252.0
Sensex	77,540.8
Close* (₹)	373.5
Mcap (₹ tn)	₹1.20
52 Week H/L (₹)	464.9 / 342.5
NSE Code	TATAPOWER
BSE Code	500400
Bloomberg Code	TPWR:IN

Close as on 24th Aug 2026*

Shareholding pattern (%)	Jun'26
Promoters	46.9%
FIIs	10.0%
DIIs	18.5%
Public & Others	24.6%

Q1FY27 Result Update

- **Business efficiency:** consolidated operating income rose 8.2% YoY to ₹18,898crs, EBITDA +8.1% to ₹4,249crs and PAT +11% to ₹1,401crs, against a supportive backdrop of **+8.5% YoY growth in India's power demand**.
- **Core-business momentum:** excluding Mundra, the three operating clusters (Generation & Coal, T&D, Renewables) delivered revenue/EBITDA/PAT growth of +12% / +12% / +14% YoY — the cleanest read on underlying earnings quality.
- **Offsets:** renewable-generation curtailment in Rajasthan and Gujarat, higher corporate costs and lower income from Tata Projects capped a stronger print; net movement in regulatory deferral balances was negative ₹153crs.
- **Capital deployment:** record quarterly capex of **₹5,375crs** funded the RE build-out; the Board approved issuance of debt securities of up to ₹4,500crs.

Relative Performance

Return (%)	1 Yr	3 Yr	5 Yr
Tata Power	-1.5%	83%	210%
Nifty 50	-4.0%	24%	43%
Sensex	-4.6%	18%	35%

Source: Company, Way2Wealth

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Key financials

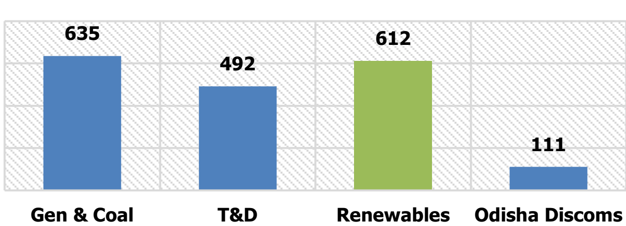
Particulars (₹ crs)	Q1FY27	Q1FY26	YoY
Revenue	18,898	17,464	+8%
EBITDA	4,249	3,930	+8%
EBITDA margin	22.5%	22.5%	flat
PAT (consol.)	**1,401**	1,262	**+11%**
PAT (owners)	1,176	1,060	+11%
Capex	5,375	—	record

Segment-wise PAT

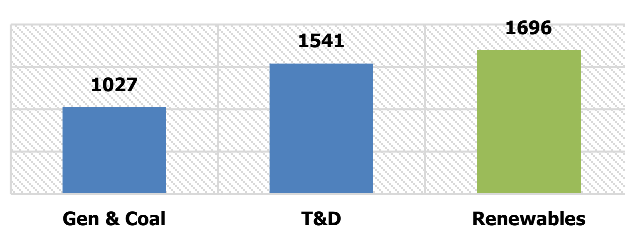
Cluster / Segment	PAT (₹ crs)	YoY
Generation & Coal	635	+27%
Transmission & Distribution	492	+11%
Renewables (cluster)	**612**	**+15%**
– Solar Mfg (TP Solar)	371	3.9x
– Rooftop Solar	145	1.7x
Odisha DISCOMs	111	+6%

Source: Company, Way2Wealth

Segment-wise PAT - Q1FY27 (₹ crs)



Cluster EBITDA - Q1FY27 (₹ crs)



Source: Company, Way2Wealth

W2W Lighthouse - A Quick Perspective

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Renewables – The Growth Engine

- Cluster PAT rose 15% YoY to ₹612crs and EBITDA 8% YoY to ₹1,696crs, aided by capacity additions and higher solar-manufacturing and rooftop sales.
- **Solar manufacturing (TP Solar):** highest-ever quarterly output of **1,001 MW modules and 862 MW cells** at industry-leading yields; segment PAT jumped 3.9x YoY to ₹371crs on indigenisation of the value chain.
- **Rooftop solar:** PAT up 1.7x YoY to ₹145crs on pan-India execution and 45,500+ installations in the quarter.
- **Portfolio & commissioning:** RE portfolio at **12 GW** (6.7 GW operational, 5.3 GW under construction); commissioned Ladakh's first commercial rooftop project and the 100.8 MW Jewali wind project in Maharashtra.

Transmission, Distribution & Discoms

- T&D EBITDA +14% YoY (₹1,541crs) and PAT +11% (₹492crs), led by higher capitalisation in Mumbai Transmission and TBCB project contributions — now the largest revenue cluster.
- **Order wins:** LoI for the **491 ckm Ryapte intra-state line in Karnataka (>₹4,000crs)**, lifting the transmission portfolio to 7,894 ckm; a new 400 kV ring planned to strengthen Mumbai's network by 2031 (data centres, metro).
- **Odisha DISCOMs:** PAT +6% YoY to ₹111crs; became the **first private utility in India to cross 1 crore consumers in a single state**, reinforcing the national discom-reform template.

Generation, Coal & Balance Sheet

- **Generation** & Coal revenue +7.2% YoY (₹5,193crs), EBITDA +5.4% (₹1,027crs) and **PAT +27% YoY (₹635crs)**, driven by Mumbai generation, Maithon (ancillary income + FGD) and better merchant margins at Haldia.
- **Net** worth rose 11.4% YoY to ₹43,555crs; interest-service coverage improved to 2.38x, but the **debt-equity ratio rose to 1.63x (from 1.49x)** as capex scaled up.
- **Standalone weakness:** standalone PAT fell 47% YoY to ₹277crs on higher fuel expenses — a reminder that consolidated strength is being carried by subsidiaries and regulated books.

Conference Call – Key Takeaways

- **Demand & positioning:** management framed the next phase around round-the-clock clean power (solar + wind + BESS + pumped hydro) amid 8.5% demand growth.
- **Pumped hydro:** 324 MW of the 1,000 MW Bhivpuri PSP tied up with SECI; the PSP pipeline is being fast-tracked.
- **Manufacturing & rooftop:** record TP Solar production and pan-India rooftop momentum were flagged as durable margin drivers.
- **Funding:** record capex with ₹4,500crs debt issuance approved; management is watching leverage as the build-out accelerates.
- **Arbitration:** an **SIAC award in favour of Kleros Capital (~USD 490 mn) is being challenged** at the Singapore International Commercial Court; no provision made, order reserved — the key overhang to monitor.

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View

Tata Power delivered a steady, broad-based Q1FY27 — its 27th straight quarter of YoY PAT and EBITDA growth — with the clean-energy value chain (renewable generation, TP Solar manufacturing and rooftop) and a regulated T&D book doing the heavy lifting, while Generation & Coal surprised positively (PAT +27% YoY). Core-business PAT grew 14% YoY, underscoring healthy earnings quality. Record ₹5,375crs capex reflects an aggressive build-out (RE portfolio now 12 GW), though it is pushing D/E to 1.63x, standalone earnings softened on fuel costs, and the unprovided SIAC/Kleros arbitration is a genuine tail risk.

At ~₹375 the stock trades ~19% below its 52-week high, but valuations remain rich versus regulated-utility peers. We like the execution and the structural renewables + T&D story yet prefer to build positions on weakness. **We maintain *ACCUMULATE* with an SoTP-based fair value of ~₹435 (~16% upside)**, pending clarity on the arbitration and the funding mix.

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Disclosure of Interest Statement: Tata Power Company Ltd. as on August 25th, 2026

Name of the Security	Tata Power Company Ltd.
Name of the analyst	Dhananjay M Kansara
Analysts' ownership of any stock related to the information contained Financial Interest Analyst : Analyst's Relative : Yes / No Analyst's Associate/Firm : Yes/No	NIL No No No
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
Broking relationship with company covered	NIL
Investment Banking relationship with company covered	NIL

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