

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%
FIIIs	10.0%
DIIIs	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

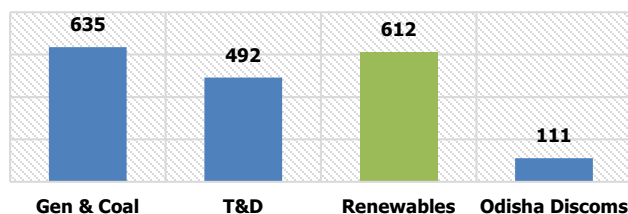
Particulars (₹ crs)	Q1FY27	Q1FY26	YoY
Revenue	18,898	17,464	+8%
EBITDA	4,249	3,930	+8%
EBITDA margin	22.5%	22.5%	flat
PAT (consol.)	1,401	1,262	+11%
PAT (owners)	1,176	1,060	+11%
Capex	5,375	—	record

Source: Company, Way2Wealth

Segment-wise PAT

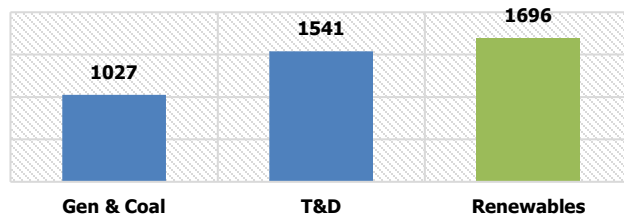
Cluster / Segment	PAT (₹ crs)	YoY
Generation & Coal	635	+27%
Transmission & Distribution	492	+11%
Renewables (cluster)	612	+15%
– Solar Mfg (TP Solar)	371	3.9x
– Rooftop Solar	145	1.7x
Odisha DISCOMs	111	+6%

Segment-wise PAT - Q1FY27 (₹ crs)



Source: Company, Way2Wealth

Cluster EBITDA - Q1FY27 (₹ crs)



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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	NIL
Financial Interest	
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	No
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Receipt of Compensation	No
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