

February 6, 2026

## Q3FY26 Result Update

■ Change in Estimates | ■ Target | ■ Reco

### Change in Estimates

|                | Current  |          | Previous   |       |
|----------------|----------|----------|------------|-------|
|                | FY27E    | FY28E    | FY17E      | FY18E |
| Rating         | HOLD     |          | Accumulate |       |
| Target Price   | 359      |          | x,xxx      |       |
| Sales (Rs. m)  | 7,24,284 | 7,67,871 | x,xxx      | x,xxx |
| % Chng.        | x.xx     | x.xx     |            |       |
| EBITDA (Rs. m) | 1,68,049 | 1,83,901 | x,xxx      | x,xxx |
| % Chng.        | x.xx     | x.xx     |            |       |
| EPS (Rs.)      | 23.9     | 24.5     | x.xx       | x.xx  |
| % Chng.        | x.xx     | x.xx     |            |       |

### Key Financials - Consolidated

| Y/e Mar        | FY25     | FY26E    | FY27E    | FY28E    |
|----------------|----------|----------|----------|----------|
| Sales (Rs. m)  | 6,54,782 | 6,54,610 | 7,24,284 | 7,67,871 |
| EBITDA (Rs. m) | 1,39,299 | 1,34,639 | 1,68,049 | 1,83,901 |
| Margin (%)     | 21.3     | 20.6     | 23.2     | 23.9     |
| PAT (Rs. m)    | 64,417   | 57,194   | 76,270   | 78,285   |
| EPS (Rs.)      | 20.2     | 17.9     | 23.9     | 24.5     |
| Gr. (%)        | 18.0     | (11.2)   | 33.4     | 2.6      |
| DPS (Rs.)      | (3.0)    | (3.0)    | (3.6)    | (3.7)    |
| Yield (%)      | (0.8)    | (0.8)    | (1.0)    | (1.0)    |
| RoE (%)        | 18.9     | 15.1     | 18.2     | 16.8     |
| RoCE (%)       | 13.1     | 9.9      | 10.7     | 9.9      |
| EV/Sales (x)   | 2.3      | 2.5      | 2.4      | 2.4      |
| EV/EBITDA (x)  | 10.7     | 12.1     | 10.4     | 10.1     |
| PE (x)         | 18.2     | 20.4     | 15.3     | 14.9     |
| P/BV (x)       | 3.3      | 2.9      | 2.6      | 2.4      |

### Key Data

TTPW.BO | TPWR IN

|                     |                        |
|---------------------|------------------------|
| 52-W High / Low     | Rs.417 / Rs.326        |
| Sensex / Nifty      | 81,666 / 25,088        |
| Market Cap          | Rs.1,169bn/ \$ 12,778m |
| Shares Outstanding  | 3,195m                 |
| 3M Avg. Daily Value | Rs.1790.44m            |

### Shareholding Pattern (%)

|                         |       |
|-------------------------|-------|
| Promoter's              | 46.86 |
| Foreign                 | 10.00 |
| Domestic Institution    | 17.52 |
| Public & Others         | 25.61 |
| Promoter Pledge (Rs bn) | -     |

### Stock Performance (%)

|          | 1M    | 6M    | 12M   |
|----------|-------|-------|-------|
| Absolute | (5.3) | (5.1) | 0.2   |
| Relative | (3.6) | (8.5) | (6.5) |

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## Mundra losses weigh on FY26E

Tata Power (TPWR) reported weaker operating performance in Q3FY26/9MFY26, with EBITDA declining 9%/2% YoY, driven by continued losses at the 4GW Mundra coal-based plant. After delivering a strong EBITDA CAGR of ~35% over FY23–25, earnings momentum has moderated in FY26E due to sustained losses at Mundra, with cumulative 9MFY26 loss after tax amounting to ~Rs8bn. Other business segments—namely Odisha and Delhi discoms, TP Solar, and the renewable asset portfolio—have delivered satisfactory performance, partially offsetting the drag from Mundra. Going forward, the earnings trajectory remains contingent on the signing of a supplementary PPA for Mundra, which was earlier expected by Q3FY26, but is pending approval from the Gujarat SEB. TPWR has an operational capacity of 16.3GW, currently skewed toward thermal generation (~55%); however, this mix is expected to improve materially with the phased commissioning of ~10GW of renewable capacity under construction. At the current price, the stock trades at ~2.5x FY28E P/B, a premium to its historical +1SD valuation band. We have 'HOLD' rating with an SoTP-based TP of Rs359/share. Key catalysts include accelerated renewable capacity additions (FY27E target: ~2.5GW), resolution of Mundra-related issues, and potential upside from opportunities in power distribution privatization.

- **Subdued quarter for P/L:** Q3FY26 consolidated revenue declined 10% YoY to Rs139bn, due to lower generation at the Mundra UMPP, reflecting continued operational challenges. Reported PAT (pre-minority) remained largely flat at Rs12bn, despite losses at Mundra. Profitability was supported by the Delhi distribution business, which benefited from the recognition of past income pertaining to FY23. Excluding this one-off benefit, underlying earnings would have been weaker, highlighting the drag from the thermal generation segment. The quarter underscores the earnings volatility at Mundra, while the regulated distribution business continues to provide stability to consolidated profitability.
- **Status of Mundra plant / PAT impact:** The Mundra coal plant remained non-operational for ~6 months, leading to a PAT loss of ~Rs8bn in 9MFY26 due to loss of capacity charges, while fixed costs continued. The management has largely concluded the supplemental PPA (SPPA) with Gujarat, with one clarification pending from the government. Once finalized, the SPPA will be circulated to other procuring states; scheduling is expected to commence based on in-principle acceptance. Timeline: The management expects clarity and potential restart within a few weeks, targeting readiness ahead of peak summer demand.
- **Renewable capacity addition target:** FY26 target is 2.6–2.7GW (including third-party and own projects); ~2.3GW has already been commissioned in 9MFY26. Additional 400–500MW is expected in Q4FY26, implying achievement of the annual target. FY27 onward: TPWR targets ~2.5GW of own capacity additions, with execution capability of up to 3GW per annum. Renewable pipeline remains strong at ~5.2GW, with a 50:50 mix of solar and wind expected in upcoming additions.

- **Opportunity in distribution:** The management highlighted distribution as a key long-term growth lever, especially via PPP-led privatization opportunities. The central government is considering zero-interest long-term funding for loss-making state DISCOMs, conditional on adopting PPP models. Timeline: New distribution opportunities expected to emerge over the next 6–9 months.
- **Rooftop solar – Performance & outlook:** Rooftop business crossed ~1GW execution in 9MFY26, with 372MW installed in Q3FY26 (vs. 173MW YoY). PAT surged to Rs3bn in 9MFY26 (vs. Rs1.1bn YoY), indicating sharp operating leverage. Order momentum remains strong, supported by the PM Surya Ghar Yojana and rising residential adoption. The management termed rooftop as the ‘tip of the iceberg’, with sustained multi-year growth expected and increasing scope for upsizing and storage-led solutions.
- **Solar module manufacturing – Margins & DCR share:** Solar module manufacturing delivered industry-leading ~48% EBITDA margins in Q3 and 9MFY26, driven by a favorable mix skewed toward high-margin DCR volumes. ~962MW modules were produced in Q3FY26, with ~80% (~795MW) from DCR modules and only ~168MW non-DCR, supporting superior realizations. Margins were supported by DCR pricing premium, >95% plant yields and high internal consumption; the management is confident of margin sustainability and further improvement as scale and operational efficiency increase.

**Exhibit 1: Quarterly snapshot**

| In Rs mn                              | Q3FY26          | Q3FY25          | YoY gr. (%)   | Q2FY26          | QoQ gr. (%)   | 9MFY26          | 9MFY25          | YoY gr. (%)  |
|---------------------------------------|-----------------|-----------------|---------------|-----------------|---------------|-----------------|-----------------|--------------|
| <b>Net Sales</b>                      | <b>1,39,484</b> | <b>1,53,911</b> | <b>(9.4)</b>  | <b>1,55,449</b> | <b>(10.3)</b> | <b>4,75,284</b> | <b>4,83,824</b> | <b>(1.8)</b> |
| <b>EBIDTA</b>                         | <b>30,549</b>   | <b>33,526</b>   | <b>(8.9)</b>  | <b>33,020</b>   | <b>(7.5)</b>  | <b>1,04,959</b> | <b>1,06,843</b> | <b>(1.8)</b> |
| Other income                          | 3,207           | 4,024           | (20.3)        | 5,054           | (36.6)        | 11,878          | 11,629          | 2.1          |
| <b>PBIDT</b>                          | <b>33,756</b>   | <b>37,550</b>   | <b>(10.1)</b> | <b>38,074</b>   | <b>(11.3)</b> | <b>1,16,837</b> | <b>1,18,471</b> | <b>(1.4)</b> |
| Depreciation                          | -12,079         | -10,410         | 16.0          | -11,621         | 3.9           | (35,309)        | (30,006)        | 17.7         |
| Interest                              | -13,637         | -11,699         | 16.6          | -13,187         | 3.4           | (39,615)        | (34,892)        | 13.5         |
| Others                                | 7,356           | -874            | (941.8)       | 3,532           | 108.2         | 6,477           | (6,374)         | (201.6)      |
| <b>PBT</b>                            | <b>15,396</b>   | <b>14,567</b>   | <b>5.7</b>    | <b>16,799</b>   | <b>(8.3)</b>  | <b>48,390</b>   | <b>47,199</b>   | <b>2.5</b>   |
| Tax                                   | -3,453          | -2,692          | 28.3          | -4,345          | (20.5)        | (11,370)        | (12,507)        | (9.1)        |
| <b>Reported PAT (before minority)</b> | <b>11,943</b>   | <b>11,875</b>   | <b>0.6</b>    | <b>12,454</b>   | <b>(4.1)</b>  | <b>37,020</b>   | <b>34,693</b>   | <b>6.7</b>   |

Source: Company, PL

**Exhibit 2: PAT – Cluster-wise breakup (Rs mn)**

| Particulars   | PAT     |         | PAT contribution |         | PAT     |         | PAT contribution |         |
|---|---------|---------|------------------|---------|---------|---------|------------------|---------|
|   | Q3 FY26 | Q3 FY25 | Q3 FY26          | Q3 FY25 | 9M FY26 | 9M FY25 | Q3 FY26          | Q3 FY25 |
|   | 11,944  | 11,876  | 100%             | 100%    | 37,020  | 39,090  | 100%             | 113%    |
| Thermal Generation, Coal and Hydro                                  | (1,744) | 7,644   | -15%             | 64%     | 3,284   | 19,570  | 9%               | 56%     |
| Maithon Power Limited (MPL) *                                       | 1,075   | 730     |                  |         | 3,010   | 2,470   |                  |         |
| Traditional Generation (incl. Mumbai and Hydro)                     | 1,218   | 1,278   |                  |         | 4,735   | 5,440   |                  |         |
| IEL *   | 169     | 211     |                  |         | 579     | 669     |                  |         |
| PPGCL ***   | 329     | 209     |                  |         | 628     | 643     |                  |         |
| Others (Incl. eliminations#)  | 251     | 418     |                  |         | 1,266   | 1,272   |                  |         |
| Mundra, Coal and Shipping   | (4,786) | 4,797   |                  |         | (6,933) | 9,076   |                  |         |
| Renewables "  | 5,468   | 2,137   | 46%              | 18%     | 15,884  | 7,866   | 43%              | 23%     |
| RE Gencos (Incl. CSL)   | 521     | 282     |                  |         | 3,654   | 4,401   |                  |         |
| Solar EPC   | 1,832   | 1,814   |                  |         | 5,906   | 3,450   |                  |         |
| TP Solar (4.3GW Cell & module Manufacturing Plant)                  | 2,513   | 1,121   |                  |         | 5,915   | 2,326   |                  |         |
| Others (Incl. eliminations#)  | 603     | (1,081) |                  |         | 408     | (2,310) |                  |         |
| T&D   | 9,122   | 3,705   | 76%              | 31%     | 20,295  | 13,835  | 55%              | 40%     |
| Transmission  | -       | -       |                  |         | -       | -       |                  |         |
| Mumbai  | 1,307   | 713     |                  |         | 3,167   | 2,200   |                  |         |
| Powerlinks **   | 98      | 100     |                  |         | 294     | 303     |                  |         |
| Distribution and Services   | -       | -       |                  |         | -       | -       |                  |         |
| Mumbai  | 509     | 415     |                  |         | 1,576   | 1,500   |                  |         |
| Odisha **   | 2,259   | 857     |                  |         | 5,049   | 1,643   |                  |         |
| Delhi **  | 4,518   | 1,200   |                  |         | 8,997   | 7,042   |                  |         |
| Others (T&D incl. TPADL**, TPTCL and eliminations#)                 | 431     | 420     |                  |         | 1,211   | 1,148   |                  |         |
| Others (Incl. Tata Projects, Nelco and inter cluster eliminations#) | (902)   | (1,610) | -8%              | -14%    | (2,443) | (2,183) | -7%              | -6%     |
| Consolidated before exceptional items                               | 11,943  | 11,875  | 100%             | 100%    | 37,020  | 39,088  | 100%             | 113%    |
| Exceptional items   | -       | -       |                  |         | -       | (4,396) |                  |         |
| Consolidated after exceptional items                                | 11,943  | 11,875  | 100%             | 100%    | 37,020  | 34,691  | 100%             | 100%    |

Source: Company, PL

Previous year numbers are restated

\*TPCL stake - 74%; \*\*TPCL stake - 51%; \*\*\*TPWR owns 88.57% stake in Renewables (TPREL). #Eliminations include inter-company transactions; ^Including other income

**Exhibit 3: Debt profile (Rs mn)**

|                           | Q1FY25   | Q2FY25   | Q3FY25   | Q4FY25   | Q1FY26   | Q2FY26   | Q3FY26   |
|---------------------------|----------|----------|----------|----------|----------|----------|----------|
| Long-term debt            | 3,84,240 | 3,92,322 | 4,08,798 | 4,41,297 | 4,87,301 | 5,23,601 | 5,49,446 |
| Short-term debt           | 65,290   | 56,748   | 42,864   | 44,962   | 26,020   | 59,085   | 61,794   |
| Current Maturity          | 74,440   | 90,847   | 96,695   | 95,196   | 88,160   | 68,753   | 73,789   |
| Total debt                | 5,23,970 | 5,39,917 | 5,48,357 | 5,81,456 | 6,01,481 | 6,51,439 | 6,85,028 |
| Less: cash                | 92,400   | 96,559   | 96,254   | 1,30,534 | 1,23,671 | 1,11,427 | 1,24,292 |
| Less: debt against JVs    | 6,900    | 7,562    | 5,042    | 4,200    | 2,027    | -        | -        |
| Net debt                  | 4,24,670 | 4,35,796 | 4,47,062 | 4,46,722 | 4,75,782 | 5,40,013 | 5,60,736 |
| Equity                    | 3,94,550 | 3,97,208 | 4,10,097 | 4,26,050 | 4,40,362 | 4,47,431 | 4,56,477 |
| Net DER (x)               | 1.08     | 1.10     | 1.09     | 1.05     | 1.08     | 1.21     | 1.23     |
| Net debt / TTM EBITDA (x) | 3.7      | 3.6      | 3.4      | 3.2      | 3.3      | 3.8      | 4.1      |

Source: Company, PL

## Outlook & Valuations

TPWR is India's largest private integrated utility company and is present across the value chain, from generation to coal mining to power distribution and power equipment. To achieve 15% EBITDA CAGR over FY25-30E, it envisages Rs240-250bn p.a. capex over FY26-30E with a mix of renewables at 60%, transmission at ~20%, power distribution at 7%, and pumped hydro storage at 10%. TPWR is expected to report an annual OCF of Rs150bn, balance sheet NDER of 1.2x and net debt / EBITDA of 4x. Thus, it has the balance sheet strength to undertake capex.

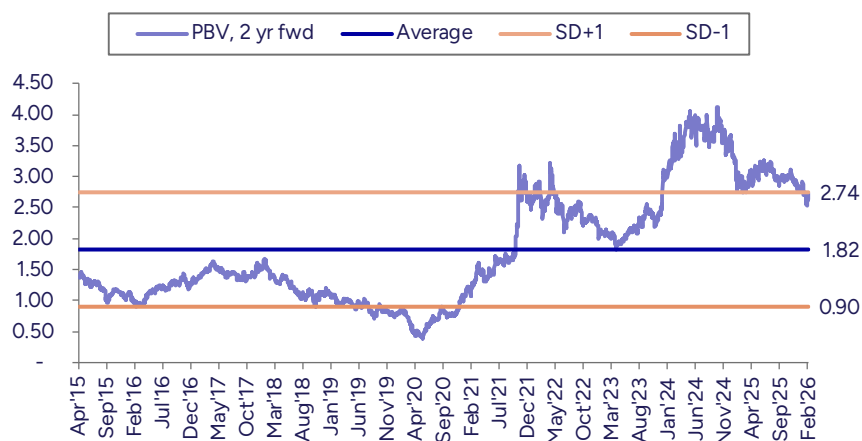
Our SoTP-based TP for TPWR stands at Rs359/share, reflecting the diversified nature of its business mix. Regulated equity contributes the largest share in SOTP based TP at Rs86/share (24%), valued at 2x P/B, providing stability and downside protection. The CGPL business is valued at Rs74/share (21%), factoring in 1x valuation for loans to the SPV and equity. Consolidated renewable energy assets contribute Rs101/share (28%), valued at 14x EV/EBITDA on FY28E, supported by ~11GW of capacity including solar cell and module manufacturing. Other investments add Rs58/share (16%), encompassing Tata Projects, Resurgent, global assets, BSSR, AGM, and the trading arm. Overall, the SoTP highlights TPWR's balanced exposure across regulated, renewable, and emerging growth segments, with renewables driving incremental valuation upside.

**Exhibit 4: TP of TPWR on SoTP basis at Rs359/sh**

| Rs/share          | Base-case (Rs/sh) | As %        | Remarks   |
|-------------------|-------------------|-------------|---|
| Regulated equity  | 86                | 24%         | Using 2x PB multiple for regulated equity                                   |
| CGPL              | 74                | 21%         | 1x for loans to SPV and equity  |
| Consolidated RE   | 101               | 28%         | For 11GW capacity, Solar Cell/module mfg, at EV/EBITDA 14x for FY28E EBITDA |
| Other investments | 58                | 16%         | Tata Projects, Resurgent, global assets, BSSR, AGM, trading arm & others    |
| PSP hydro plant   | 40                | 11%         | Assuming 2.8GW at Rs8bn/GW at 14x EV/EBITDA                                 |
| <b>SoTP</b>       | <b>359</b>        | <b>100%</b> |   |

Source: Company, PL

**Exhibit 5: TPWR's PB valuation band at +1STD**



Source: Company, PL

## Key risks

- **Mundra resolution risk:** Delays or partial resolution of the supplemental PPAs for the Mundra imported coal plant could continue to weigh on EPS, as the asset has already incurred ~Rs8bn of PAT-level losses in 9MFY26 due to prolonged shutdown and absence of capacity charges. Any adverse regulatory or contractual outcome could prolong earnings volatility.
- **Renewable execution and commissioning risk:** TPWR has a large pipeline of renewable projects scheduled for commissioning from FY27. Delays in land acquisition, transmission connectivity or grid readiness could defer revenue and EBITDA recognition, impacting near-term EPS accretion.
- **Regulatory dependency in distribution:** A meaningful portion of recent earnings uplift, particularly in the Delhi DISCOM, has been driven by regulatory true-ups and tariff orders. Any delay, disallowance or unfavorable outcome in future regulatory approvals could lead to normalization of earnings and impact EPS visibility.
- **Transmission commissioning risk:** Earnings growth in the transmission segment is contingent on timely commissioning of tariff-based competitive bidding (TBCB) projects. Any slippage in project execution or delays in capitalization could defer regulated returns and negatively impact EPS in the intervening period.
- **Solar manufacturing margin normalization:** Current EPS is supported by elevated margins in cell and module manufacturing driven by high plant yields and favorable demand-supply dynamics. A decline in module prices, changes in ALMM/DCR policy, or intensifying competition could compress margins and reduce incremental EPS contribution.
- **Rooftop solar profitability risk:** The rooftop solar business has delivered strong earnings growth aided by scale-up and policy support. Any moderation in government incentives, pricing pressure in residential or C&I segments, or execution bottlenecks could temper earnings momentum.
- **Coal price and mining earnings risk:** Profitability of Indonesian coal mining subsidiaries is sensitive to global coal price movements and regulatory changes. A sharp correction in coal prices or adverse policy developments could reduce contribution to consolidated EPS.
- **Leverage and interest cost sensitivity:** While balance sheet metrics are comfortable (net debt/EBITDA: ~3.4x), sustained high capex could increase debt levels. Rising interest rates or slower-than-expected cash flow ramp-up could impact EPS through higher finance costs.

## Annexure

### TPWR – An integrated utility

**Generation:** TPWR's generation portfolio stands at ~26.3GW, including projects under construction, with ~16.3GW currently operational. The operational mix is dominated by thermal capacity of ~8.9GW (~55%), followed by solar at ~4.9GW (~30%), wind at ~1.2GW (~7%), hydro at ~0.9GW (~6%) and waste heat recovery/BFG at ~0.4GW (~2%), resulting in a clean & green share of ~46%. Importantly, the entire ~10.0GW capacity under construction is renewable, largely comprising solar, wind, hybrid and FDRE/RTC projects, with phased commissioning expected from FY27. Post commissioning, total capacity will rise to ~26.3GW, with clean & green capacity increasing to ~17.4GW (~66%), while thermal capacity remains stable at ~8.9GW (~34%). Within the expanded renewable portfolio, solar and hybrid/FDRE assets are expected to form the bulk, materially improving the fuel mix, reducing earnings volatility and structurally enhancing sustainability and visibility of generation cash flows.

**Transmission:** TPWR has an operational transmission network of ~4,738 circuit km (ckm), supported by a robust under-construction pipeline of ~2,573 ckm, largely under TBCB projects. Key projects such as NRSS and multiple interstate transmission schemes are scheduled for commissioning between FY26 and FY28. This positions the transmission portfolio for strong growth in regulated asset base and ckm over the next 2–3 years, benefiting from rising national transmission capex driven by renewable integration and inter-regional power flows. The management expects steady additions to operational ckm annually as projects under execution achieve commissioning.

**Distribution:** TPWR serves ~13mn customers across its distribution businesses in Delhi, Mumbai and Odisha. The Odisha DISCOMs continue to show operational and financial improvement, with AT&C losses reducing by ~1.9% YTD in 9MFY26 and PAT rising sharply YoY. Smart meter rollout has crossed ~7 lakh installations. The distribution segment remains a stable cash flow generator, aided by tariff revisions, efficiency improvements and regulatory support, while offering long-term value creation through loss reduction and demand growth.

**Coal business:** TPWR holds strategic stakes in Indonesian coal mines with a combined capacity of ~78MT, including Kaltim Prima Coal (30% stake), Baramulti Suksessarana (26%) and Antang Gunung Meratus (26%). These assets primarily support fuel security for thermal operations and provide earnings diversification. Coal production and sales remained stable in Q3FY26, though profitability is inherently linked to global coal price movements.

**Solar rooftop:** The business delivered record execution, with ~1GWp installed in 9MFY26. The third-party rooftop order book stood at ~Rs11.7bn as of Q3FY26, with strong traction in both residential and C&I segments. Residential rooftop share has increased meaningfully YoY, supported by government schemes and TPWR's expanding channel partner network, positioning the segment for sustained volume-led growth.

**Debt & leverage:** As of 9MFY26, TPWR's net debt stood at ~Rs560bn, reflecting ongoing capex in renewables, transmission and manufacturing. Despite the increase, leverage metrics remain comfortable, with net debt to equity at ~1.23x and net debt to TTM EBITDA at ~4.1x (TTM). The management reiterated its commitment to maintaining a strong balance sheet, supported by improving cash flows, regulated earnings and recent credit rating upgrades.

**EBITDA break-up (9MFY26):** TPWR's EBITDA is now largely skewed toward structurally stable segments, with renewables (~40%) and regulated T&D (~43%) together contributing to ~83% of EBITDA, while conventional generation has moderated to sub-15% (impacted by Mundra UMPP loss of Rs4bn per quarter), underscoring the ongoing transition to a cleaner and more predictable earnings profile.

- **Renewables:** Include RE gencos of 5.5GW, solar EPC order book of Rs120bn and 5GW cell & module manufacturing; this is now the single largest contributor
- **T&D:** Driven by regulated transmission assets and improving profitability across Delhi, Mumbai and Odisha DISCOMs
- **Conventional generation:** Includes thermal generation, hydro and coal-linked businesses
- **Balance / Others & eliminations:** Primarily inter-segment eliminations, corporate costs, trading and other businesses

## Shareholding

- As of Dec'25, promoters' holding stood at 46.86% (with Tata Sons Pvt Ltd holding 45.21%).
- DII's owns 17.20% (within which LIC owns 5.18% and Nippon Life India owns 2.25%); FIIs hold 10%; retail investors have 25.60%; and government bodies have 0.32%.

## Management team

- **Mr. Natarajan Chandrasekaran – Chairman (Non-Executive), Non-Independent Director:** He is the former CEO & MD of Tata Consultancy Services and now the Chairman of Tata Sons. He is widely regarded as one of India's most influential corporate leaders. He brings deep strategic, digital, and governance experience to TPWR's board and is seen as a key architect of the group's long-term energy-transition vision.
- **Dr. Praveer Sinha, Managing Director & CEO:** He is a power-sector veteran with over 3 decades of experience, including prior roles as the CEO of TPWR's international operations and leadership positions in generation and overseas projects. He is credited with driving TPWR's shift toward renewables, improving plant-efficiency, and strengthening financial discipline across the group.
- **Mr. Sanjeev Churiwala – Chief Financial Officer:** He leads group finance, treasury, investor relations, and capital-structure planning. He has played a

central role in funding TPWR's aggressive renewable-capex program, managing debt-to-equity ratio, and maintaining credit-metric discipline amid a high-investment phase.

- **Mr. Vispi S Patel – Company Secretary & Compliance Officer:** He oversees corporate governance, regulatory compliance, and board-secretarial functions, ensuring alignment with SEBI, stock-exchange regulations, and Tata Group governance standards. He acts as the key interface between the board, regulators, and stakeholders on compliance and disclosure matters.



## Financials

### Income Statement (Rs m)

| Y/e Mar                       | FY25            | FY26E           | FY27E           | FY28E           |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|
| <b>Net Revenues</b>           | <b>6,54,782</b> | <b>6,54,610</b> | <b>7,24,284</b> | <b>7,67,871</b> |
| YoY gr. (%)                   | 6.6             | 0.0             | 10.6            | 6.0             |
| Cost of Goods Sold            | -               | -               | -               | -               |
| Gross Profit                  | 7,12,686        | 6,54,610        | 7,24,284        | 7,67,871        |
| Margin (%)                    | 108.8           | 100.0           | 100.0           | 100.0           |
| Employee Cost                 | -               | -               | -               | -               |
| Other Expenses                | -               | -               | -               | -               |
| <b>EBITDA</b>                 | <b>1,39,299</b> | <b>1,34,639</b> | <b>1,68,049</b> | <b>1,83,901</b> |
| YoY gr. (%)                   | 29.2            | (3.3)           | 24.8            | 9.4             |
| Margin (%)                    | 21.3            | 20.6            | 23.2            | 23.9            |
| Depreciation and Amortization | (41,169)        | (47,283)        | (55,073)        | (63,053)        |
| <b>EBIT</b>                   | <b>98,130</b>   | <b>87,357</b>   | <b>1,12,976</b> | <b>1,20,848</b> |
| Margin (%)                    | 15.0            | 13.3            | 15.6            | 15.7            |
| Net Interest                  | (47,024)        | (51,423)        | (58,613)        | (65,591)        |
| Other Income                  | 15,139          | 14,518          | 14,489          | 14,868          |
| <b>Profit Before Tax</b>      | <b>56,483</b>   | <b>50,451</b>   | <b>68,852</b>   | <b>70,126</b>   |
| Margin (%)                    | 8.6             | 7.7             | 9.5             | 9.1             |
| Total Tax                     | -               | -               | -               | -               |
| Effective tax rate (%)        | -               | -               | -               | -               |
| <b>Profit after tax</b>       | <b>56,483</b>   | <b>50,451</b>   | <b>68,852</b>   | <b>70,126</b>   |
| Minority interest             | -               | -               | -               | -               |
| Share Profit from Associate   | 7,933           | 6,743           | 7,417           | 8,159           |
| <b>Adjusted PAT</b>           | <b>64,417</b>   | <b>57,194</b>   | <b>76,270</b>   | <b>78,285</b>   |
| YoY gr. (%)                   | 18.0            | (11.2)          | 33.4            | 2.6             |
| Margin (%)                    | 9.8             | 8.7             | 10.5            | 10.2            |
| Extra Ord. Income / (Exp)     | -               | -               | -               | -               |
| <b>Reported PAT</b>           | <b>64,417</b>   | <b>57,194</b>   | <b>76,270</b>   | <b>78,285</b>   |
| YoY gr. (%)                   | 18.0            | (11.2)          | 33.4            | 2.6             |
| Margin (%)                    | 9.8             | 8.7             | 10.5            | 10.2            |
| Other Comprehensive Income    | -               | -               | -               | -               |
| Total Comprehensive Income    | 64,417          | 57,194          | 76,270          | 78,285          |
| <b>Equity Shares O/s (m)</b>  | <b>3,196</b>    | <b>3,196</b>    | <b>3,196</b>    | <b>3,196</b>    |
| <b>EPS (Rs)</b>               | <b>20.2</b>     | <b>17.9</b>     | <b>23.9</b>     | <b>24.5</b>     |

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

| Y/e Mar                               | FY25              | FY26E             | FY27E             | FY28E             |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Non-Current Assets</b>             |                   |                   |                   |                   |
| <b>Gross Block</b>                    | <b>11,44,281</b>  | <b>13,44,281</b>  | <b>15,54,281</b>  | <b>17,64,281</b>  |
| Tangibles                             | -                 | -                 | -                 | -                 |
| Intangibles                           | -                 | -                 | -                 | -                 |
| <b>Acc: Dep / Amortization</b>        | <b>(3,60,537)</b> | <b>(4,07,819)</b> | <b>(4,62,892)</b> | <b>(5,25,945)</b> |
| Tangibles                             | -                 | -                 | -                 | -                 |
| Intangibles                           | -                 | -                 | -                 | -                 |
| <b>Net fixed assets</b>               | <b>7,83,744</b>   | <b>9,36,462</b>   | <b>10,91,389</b>  | <b>12,38,336</b>  |
| Tangibles                             | 7,83,744          | 9,36,462          | 10,91,389         | 12,38,336         |
| Intangibles                           | -                 | -                 | -                 | -                 |
| Capital Work In Progress              | 1,26,789          | 1,76,789          | 2,26,789          | 2,76,789          |
| Goodwill                              | -                 | -                 | -                 | -                 |
| Non-Current Investments               | 1,50,140          | 1,50,140          | 1,50,140          | 1,50,140          |
| Net Deferred tax assets               | 5,180             | 5,180             | 5,180             | 5,180             |
| Other Non-Current Assets              | 2,13,694          | 2,13,694          | 2,13,694          | 2,13,694          |
| <b>Current Assets</b>                 |                   |                   |                   |                   |
| Investments                           | -                 | -                 | -                 | -                 |
| Inventories                           | 45,718            | 45,706            | 50,571            | 53,614            |
| Trade receivables                     | 57,098            | 57,083            | 63,158            | 66,959            |
| Cash & Bank Balance                   | 1,17,510          | 1,16,912          | 1,21,118          | 1,27,559          |
| Other Current Assets                  | 32,437            | 32,429            | 35,880            | 38,039            |
| <b>Total Assets</b>                   | <b>15,67,113</b>  | <b>17,69,187</b>  | <b>19,96,416</b>  | <b>22,11,125</b>  |
| <b>Equity</b>                         |                   |                   |                   |                   |
| Equity Share Capital                  | 3,196             | 3,196             | 3,196             | 3,196             |
| Other Equity                          | 3,55,211          | 3,93,442          | 4,38,789          | 4,85,334          |
| <b>Total Network</b>                  | <b>3,58,407</b>   | <b>3,96,638</b>   | <b>4,41,984</b>   | <b>4,88,529</b>   |
| <b>Non-Current Liabilities</b>        |                   |                   |                   |                   |
| Long Term borrowings                  | 4,41,297          | 5,76,884          | 6,95,040          | 8,07,288          |
| Provisions                            | -                 | -                 | -                 | -                 |
| Other non current liabilities         | 2,47,060          | 2,46,995          | 2,73,284          | 2,89,730          |
| <b>Current Liabilities</b>            |                   |                   |                   |                   |
| ST Debt / Current of LT Debt          | -                 | -                 | -                 | -                 |
| Trade payables                        | 88,546            | 88,522            | 97,944            | 1,03,838          |
| Other current liabilities             | 3,64,150          | 3,84,048          | 4,03,196          | 4,27,460          |
| <b>Total Equity &amp; Liabilities</b> | <b>15,67,113</b>  | <b>17,69,187</b>  | <b>19,96,416</b>  | <b>22,11,125</b>  |

Source: Company Data, PL Research

**Cash Flow (Rs m)**

| Y/e Mar                                | FY25              | FY26E             | FY27E             | FY28E             |
|--|-------------------|-------------------|-------------------|-------------------|
| PBT                                    | 63,196            | 50,451            | 68,852            | 70,126            |
| Add. Depreciation                      | 41,169            | 47,283            | 55,073            | 63,053            |
| Add. Interest                          | -                 | -                 | -                 | -                 |
| Less Financial Other Income            | 15,139            | 14,518            | 14,489            | 14,868            |
| Add. Other                             | 27,588            | 36,906            | 44,124            | 50,722            |
| Op. profit before WC changes           | 1,31,953          | 1,34,639          | 1,68,049          | 1,83,901          |
| Net Changes-WC                         | 718               | 19,920            | 10,474            | 18,838            |
| Direct tax                             | (5,869)           | (13,512)          | (19,449)          | (19,963)          |
| <b>Net cash from Op. activities</b>    | <b>1,26,802</b>   | <b>1,41,048</b>   | <b>1,59,075</b>   | <b>1,82,776</b>   |
| Capital expenditures                   | (1,72,728)        | (2,50,000)        | (2,60,000)        | (2,60,000)        |
| Interest / Dividend Income             | -                 | -                 | -                 | -                 |
| Others                                 | 18,240            | 25,418            | 48,195            | 39,473            |
| <b>Net Cash from Invst. activities</b> | <b>(1,54,489)</b> | <b>(2,24,582)</b> | <b>(2,11,805)</b> | <b>(2,20,527)</b> |
| Issue of share cap. / premium          | 3,194             | -                 | -                 | -                 |
| Debt changes                           | 85,702            | 1,35,587          | 1,18,156          | 1,12,248          |
| Dividend paid                          | (6,391)           | (9,674)           | (11,474)          | (11,777)          |
| Interest paid                          | -                 | -                 | -                 | -                 |
| Others                                 | (39,581)          | (42,977)          | (49,745)          | (56,279)          |
| <b>Net cash from Fin. activities</b>   | <b>42,924</b>     | <b>82,936</b>     | <b>56,937</b>     | <b>44,192</b>     |
| <b>Net change in cash</b>              | <b>15,237</b>     | <b>(599)</b>      | <b>4,206</b>      | <b>6,441</b>      |
| Free Cash Flow                         | (45,927)          | (1,08,952)        | (1,00,925)        | (77,224)          |

Source: Company Data, PL Research

**Key Financial Metrics**

| Y/e Mar                    | FY25   | FY26E  | FY27E  | FY28E  |
|----------------------------|--------|--------|--------|--------|
| <b>Per Share(Rs)</b>       |        |        |        |        |
| EPS                        | 20.2   | 17.9   | 23.9   | 24.5   |
| CEPS                       | 7.3    | 3.1    | 6.6    | 4.8    |
| BVPS                       | 112.2  | 124.1  | 138.3  | 152.9  |
| FCF                        | (14.4) | (34.1) | (31.6) | (24.2) |
| DPS                        | (3.0)  | (3.0)  | (3.6)  | (3.7)  |
| <b>Return Ratio(%)</b>     |        |        |        |        |
| RoCE                       | 13.1   | 9.9    | 10.7   | 9.9    |
| ROIC                       | 15.5   | 11.3   | 12.1   | 11.1   |
| RoE                        | 18.9   | 15.1   | 18.2   | 16.8   |
| <b>Balance Sheet</b>       |        |        |        |        |
| Net Debt : Equity (x)      | 0.9    | 1.2    | 1.3    | 1.4    |
| Net Working Capital (Days) | 8      | 8      | 8      | 8      |
| <b>Valuation(x)</b>        |        |        |        |        |
| PER                        | 18.2   | 20.4   | 15.3   | 14.9   |
| P/B                        | 3.3    | 2.9    | 2.6    | 2.4    |
| P/CEPS                     | 50.3   | 118.0  | 55.2   | 76.8   |
| EV/EBITDA                  | 10.7   | 12.1   | 10.4   | 10.1   |
| EV/Sales                   | 2.3    | 2.5    | 2.4    | 2.4    |
| Dividend Yield (%)         | (0.8)  | (0.8)  | (1.0)  | (1.0)  |

Source: Company Data, PL Research

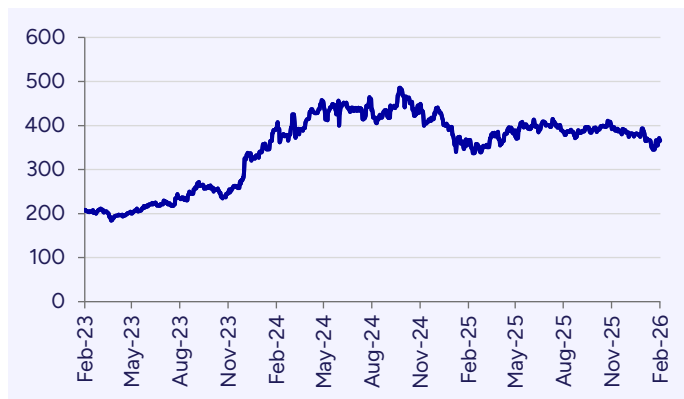
**Quarterly Financials (Rs m)**

| Y/e Mar                           | Q4FY25          | Q1FY26          | Q2FY26          | Q3FY26          |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|
| <b>Net Revenue</b>                | <b>1,70,959</b> | <b>1,80,351</b> | <b>1,55,449</b> | <b>1,39,484</b> |
| YoY gr. (%)                       | 7.9             | 4.3             | (1.0)           | (9.4)           |
| Raw Material Expenses             | 22,621          | 23,029          | 23,445          | 25,561          |
| Gross Profit                      | 1,48,338        | 1,57,321        | 1,32,004        | 1,13,923        |
| Margin (%)                        | 86.8            | 87.2            | 84.9            | 81.7            |
| <b>EBITDA</b>                     | <b>32,456</b>   | <b>41,390</b>   | <b>33,020</b>   | <b>30,549</b>   |
| YoY gr. (%)                       | 39.2            | 15.4            | (11.8)          | (8.9)           |
| Margin (%)                        | 19.0            | 22.9            | 21.2            | 21.9            |
| Depreciation / Depletion          | 11,163          | 11,609          | 11,621          | 12,079          |
| <b>EBIT</b>                       | <b>21,293</b>   | <b>29,781</b>   | <b>21,399</b>   | <b>18,470</b>   |
| Margin (%)                        | 12.5            | 16.5            | 13.8            | 13.2            |
| Net Interest                      | 12,132          | 12,792          | 13,187          | 13,637          |
| Other Income                      | 3,511           | 3,617           | 5,054           | 3,207           |
| <b>Profit before Tax</b>          | <b>14,991</b>   | <b>14,898</b>   | <b>15,508</b>   | <b>13,409</b>   |
| Margin (%)                        | 8.8             | 8.3             | 10.0            | 9.6             |
| Total Tax                         | 2,936           | 3,571           | 4,345           | 3,453           |
| Effective tax rate (%)            | 19.6            | 24.0            | 28.0            | 25.8            |
| <b>Profit after Tax</b>           | <b>12,055</b>   | <b>11,327</b>   | <b>11,163</b>   | <b>9,956</b>    |
| Minority interest                 | 2,562           | 2,025           | 3,260           | 4,224           |
| Share Profit from Associates      | 1,006           | 1,296           | 1,291           | 1,987           |
| <b>Adjusted PAT</b>               | <b>10,499</b>   | <b>10,599</b>   | <b>9,194</b>    | <b>7,720</b>    |
| YoY gr. (%)                       | 17.3            | 9.2             | (0.8)           | (25.1)          |
| Margin (%)                        | 6.1             | 5.9             | 5.9             | 5.5             |
| Extra Ord. Income / (Exp)         | -               | -               | -               | -               |
| <b>Reported PAT</b>               | <b>10,499</b>   | <b>10,599</b>   | <b>9,194</b>    | <b>7,720</b>    |
| YoY gr. (%)                       | 17.3            | 9.2             | (0.8)           | (25.1)          |
| Margin (%)                        | 6.1             | 5.9             | 5.9             | 5.5             |
| Other Comprehensive Income        | -               | -               | -               | -               |
| <b>Total Comprehensive Income</b> | <b>10,499</b>   | <b>10,599</b>   | <b>9,194</b>    | <b>7,720</b>    |
| Avg. Shares O/s (m)               | -               | -               | -               | -               |
| <b>EPS (Rs)</b>                   | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>        |

Source: Company Data, PL Research

**Price Chart**

**Recommendation History**



**Analyst Coverage Universe**

| Sr. No. | CompanyName                     | Rating | TP (Rs) | Share Price (Rs) |
|---------|---------------------------------|--------|---------|------------------|
| 1       | Ashoka Buildcon                 | BUY    | 183     | 153              |
| 2       | Indian Energy Exchange          | Hold   | 135     | 127              |
| 3       | NTPC                            | BUY    | 423     | 356              |
| 4       | Power Grid Corporation of India | BUY    | 324     | 270              |
| 5       | PSP Projects                    | BUY    | 1,028   | 750              |

**PL's Recommendation Nomenclature (Absolute Performance)**

|                          |                                   |
|--------------------------|-----------------------------------|
| <b>Buy</b>               | : > 15%                           |
| <b>Accumulate</b>        | : 5% to 15%                       |
| <b>Hold</b>              | : +5% to -5%                      |
| <b>Reduce</b>            | : -5% to -15%                     |
| <b>Sell</b>              | : < -15%                          |
| <b>Not Rated (NR)</b>    | : No specific call on the stock   |
| <b>Under Review (UR)</b> | : Rating likely to change shortly |

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