

Management Discussion and Analysis

1. Industry Developments

Global Power Sector

The year 2025 was defined by steady economic growth, record investments in renewable energy and shifting generation trends. Rising electricity demand was fulfilled with unprecedented renewable capacity additions, especially solar and wind. Investment flows reached new highs; nuclear energy held steady, with new projects under construction, while green hydrogen struggled to scale amid cost and infrastructure challenges. Electric vehicle sales surged worldwide, with adoption spreading rapidly across emerging markets. Together, these developments highlighted both the progress and complexities of steering towards a low-carbon future.

Sustained Uptick in Power Demand

In 2025, global economic activity continued to rise steadily, with GDP expanding by 3.4% according to the IMF's April 2026 World Economic Outlook. The year also ranked among the warmest on record, as reported by the World Meteorological Organization. Electricity demand grew by nearly 3%, exceeding the decade-long average of 2.8%. This growth was driven primarily by industry, household appliances, and commercial buildings (excluding data centres). While demand from electric vehicles (+18%) and data centres (+17%) surged, their overall contribution to demand growth remained relatively small (Source: IEA).

Annual global investment in the energy transition technologies reached a record \$ 2.3 trillion in 2025, marking an 8% year-on-year increase. The three largest sectors by investment were electrified transport (\$ 893 billion), renewable energy (\$ 690 billion), and grid infrastructure (\$ 483 billion) (Source: BNEF). However, renewable energy investment declined by 9.5% compared to the previous year, largely due to uncertainty about changes in power market regulations in China. Investment levels rose across most sectors, apart from hydrogen (\$ 7.3 billion) and nuclear (\$ 36 billion) (Source: BNEF).

Significant RE Capacity Addition

In 2025, global annual renewable capacity additions (including hydropower) rose by 16%, reaching approximately 800 GW. Solar PV led the expansion, with around 605 GW added worldwide—an increase of about 12% y-o-y—bringing the total installed solar capacity to nearly 2,800 GW. Wind power contributed around 160 GW of new capacity, raising global



wind installations to about 1,300 GW. Other renewables, including hydropower, added roughly 35 GW in 2025. (Source: IEA)

Increased share of RE in generation mix

Global renewable generation rose to 10,808 GWh in 2025, marking an 8.7% y-o-y increase and increasing its share of the generation mix to about 34%. Solar PV contributed an additional 600 TWh, bringing total solar generation to 2,700 GWh, around 8% of the global mix. Wind power generation also grew by approximately 8%. In contrast, coal-based generation declined marginally by 0.4% in 2025, the first such drop since 2019 (excluding the COVID-19-affected year of 2020). (Source: IEA)

Nuclear power capacity remains unchanged

While 3 GW of new nuclear capacity came online in 2025, almost the same capacity was retired (mainly in Belgium). As a result, total global nuclear capacity remained constant at 420 GW by 2025-end, with reactors in operation in over 30 countries. However, nuclear generation recorded an uptick of 1.2% y-o-y in 2025. Nuclear reactors with a combined capacity of 78 GW are currently under construction in 15 countries (half of the under-construction capacity is in China). Due to its low-emissions, round-the-clock power supply ability, tech firms are increasingly turning to nuclear energy to power the increasing demand of data centres. (Source: IEA)

Robust growth in EV sales

EV passenger vehicle sales were estimated at 22 million (up 25% y-o-y) in 2025. China accounted for nearly two-thirds of the figure, followed by Europe with 17% and the US with 7%. EV sales in emerging markets are now growing quickly as Chinese automakers ramp up sales outside of their home country. Suggesting a wider penetration of EVs in developing countries, Thailand now has higher EV adoption rates than the US, while Brazil is ahead of Japan. (Source: BNEF)

Battery storage accelerates globally

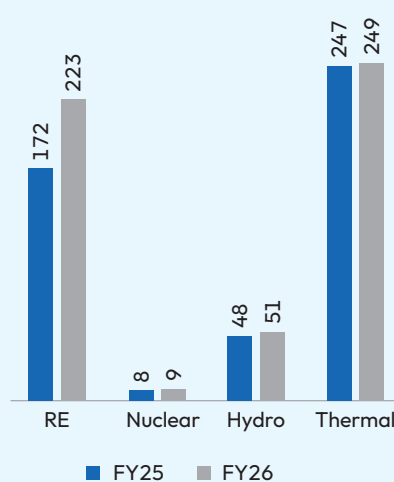
Battery storage deployment grew at an exponential pace, with 108 GW of new battery storage capacity deployed globally, up 40% from 2024. Lithium-iron phosphate (LFP) batteries now account for around 90% of deployments. The growth was supported primarily by utility-scale storage, which contributed almost 80% of new battery capacity, while the remainder came from behind-the-meter capacity. Battery-based uninterruptible power supplies (UPS), primarily in data centres, also witnessed significant growth, with capacity additions rising by 30% to 45 GW in 2025. (Source: IEA)

Indian power sector

The Indian economy sustained its momentum with a projected growth rate of 7.6% (Source: Ministry of Statistics and Programme Implementation (MoSPI)) in FY 2025-26, surpassing the previous year's (FY 2024-25) growth rate of 7.1%. This growth was primarily driven by private consumption and investment (fixed capital asset formation), spurred by government policies to improve infrastructure, logistics, and the overall business ecosystem. The year-end review of the Ministry of Power, published in Jan 2026, highlights that per capita electricity consumption in India has surged to 1,460 kWh, marking a 52.6% increase (503 kWh) from 957 kWh in FY 2013-14. Driven by the impact of early onset and extension of the monsoon and lower than average temperatures, the energy demand grew only by 1% in FY 2025-26 over FY 2024-25. The sector was able to meet peak demand of 245 GW, while monthly energy shortages also declined to 0.03% in FY 2025-26.

India's installed generation capacity stood at 533 GW as of March 31, 2026, with 56 GW of capacity added during FY 2025-26. The share of thermal capacity in the total installed generation mix declined from 61% in FY 2020-21 to 47% in FY 2025-26, while the share of renewable capacity surged from 25% to 42%. Approximately 88% of the total 56 GW capacity added during FY 2025-26 came from renewable sources (excluding large hydro), comprising ~45 GW of solar and ~6 GW of wind capacity. This growth enabled India to attain the third position globally in renewable energy installed capacity, according to IRENA RE Statistics 2026.

Installed Capacity (GW)



Management Discussion and Analysis

Generation

Thermal generation

To meet India's growing electricity demand and base load power requirement, the Government awarded 13.3 GW of new coal-based thermal capacity in FY 2025-26 (as of November 30, 2025). As of March 31, 2026, the total installed capacity of thermal power plants stood at 249 GW, with 2 GW of net additions in FY 2025-26. In addition, 38.7 GW of thermal capacity, including 4.8 GW of stressed projects, was under construction, with contracts of ~23 GW awarded. Further, ~24 GW of capacity was under various stages of planning, clearances, and bidding, reflecting a strong and visible capacity addition pipeline.

FY 2025-26 witnessed a revival in long-term thermal Power Purchase Agreements (PPAs), reflecting the growing intent of distribution utilities to secure thermal power on a long-term basis, with utilities across several states rolling out long-term PPAs. The year also witnessed a few acquisitions of stressed thermal assets by key industry players for capacity expansion.

Hydro generation

The recently released Draft National Electricity Policy (NEP) 2026 repositioned hydropower as a strategic asset for climate resilience, water security and the energy transition. To accelerate growth in the sector, it proposed faster clearances, advanced site assessments, and improved financing and tariff mechanisms to strengthen project viability and creditworthiness. The Policy also emphasised storage-based hydro projects to enhance grid stability and support rising renewable penetration. At the end of the fiscal year, with the addition of 3.5 GW of capacity, the operational hydropower capacity stood at 51.4 GW. A further 13 GW was under construction, with an additional 4.3 GW targeted for commissioning by FY 2031-32.

Nuclear generation

The nuclear capacity in the country stood at 8.78 GW, with a capacity addition of 0.6 GW in FY 2025-26. The Nuclear Energy Mission for Viksit Bharat was introduced last year with an aim to triple the present installed capacity of 8.8 GW to 100 GW by 2047. To support this roadmap, 18 nuclear power reactors with an aggregate capacity of 13.6 GW are under implementation, including 10 reactors in the under-construction stage and eight reactors in pre-project stages, all of which were expected to be completed by FY 2031-32. This momentum was reinforced through legal reform in the form of the SHANTI Bill (Sustainable Harnessing and Advancement of Nuclear Energy for Transforming India Bill) to enable private participation in the industry. Further, in Budget 2026-27, the Government proposed extending

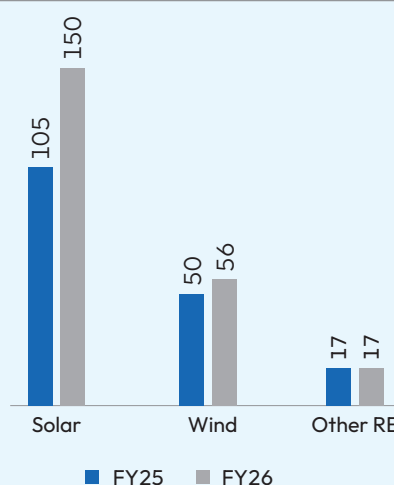
the exemption on basic customs duty for imports required for nuclear power projects until 2035, irrespective of plant capacity, and allocated ₹ 24,123 crore to the Department of Atomic Energy, underscoring sustained financial commitment to the sector.

Renewable generation

As of FY 2025-26, India's total installed renewable energy capacity reached 223 GW, marking a 30% increase y-o-y. Solar capacities continued to anchor the energy transition, accounting for 77% of the total renewable capacity additions, and wind accounted for 11%. The share of renewable energy in total electricity generation, too, increased to approximately 17% in FY 2025-26, compared to 14% in FY 2024-25 (Source: Central Electricity Authority (CEA)).

India crossed the 150 GW milestone with a cumulative installed solar capacity of 150.26 GW in FY 2025-26, with a capacity addition of 45 GW in the year, nearly double the installed capacity in the previous year.

RE Installed Capacity (GW)



The installed capacity addition was accompanied by commensurate manufacturing deployment, with PV module manufacturing capacity reaching 172 GW (98 GW added in FY 2025-26), up from 72 GW in the previous year. Wind turbine (Nacelle and Hub) manufacturing capacity also increased to 24 GW from 18 GW in the previous year. (Source: MNRE)

India's renewable energy utility auction market saw a sharp correction in FY 2025-26 following the record-breaking volumes of FY 2024-25. Total renewable energy auction awards declined to 19.4 GW in 2025 from 59.7 GW in 2024, a drop of 67% y-o-y. The contraction was broad-based across technologies; standalone solar awards declined by 77%, wind

by 37%, and complex auctions (hybrids, storage-linked, peak power and RTC) by 64%.

Tariff trends diverged across technologies. Solar tariffs declined by ~3% to an average of ₹ 2.5/kWh, while wind tariffs continued to rise for the fourth consecutive year, reaching ~₹ 3.7/kWh, marking a 2% increase y-o-y. Meanwhile, complex auctions continued to be in the same range as the previous year, averaging ₹ 3.4/kWh in 2025.

As renewable capacity grew, the storage space also witnessed parallel progress. As of FY 2025-26, 7.4 GW of PSP was operational in the country, with around 16 GW capacity under construction. A further 6.6 GW was concurred to by the CEA and was yet to be taken for construction. A total of 15 Battery Energy Storage System (BESS) projects are currently operational with a total installed capacity of 1.8 GWh. Solar with BESS and standalone BESS continued to gain traction, and an estimated 54 GWh of BESS capacity was at different stages of execution as on March 2026. Weighted average tariffs for two-hour standalone BESS dropped from ~₹ 2.9 lakh/MW/month to ~₹ 1.9 lakh/MW/month in FY 2025-26.

Despite strong progress, the sector faced major challenges. The biggest concern was the backlog of unsigned PPAs, with much of the auctioned capacity lacking off-take and creating execution uncertainty. Connectivity granted by authorities often went unused because PPAs were not signed, while developers with higher project readiness struggled to secure it. As of November 2025, around 45 GW of projects had connectivity awarded but had no signed PPAs (CERC). Furthermore, India curtailed 2.3 TWh of solar generation during April to December 2025 to maintain grid stability, as non-solar generation could not be sufficiently backed down during the lower-than-anticipated demand period. This incident underscored the importance of measures like increased generation flexibility, deployment of storage solutions and implementation of load shift programmes for enhanced RE integration and maintaining grid security.

On the brighter side, owing to the PM Surya Ghar Muft Bijli Yojana, rooftop solar installations saw a sharp rise, with total installations crossing the 30-lakh milestone in this fiscal year. As of December 2025, ₹ 14,771 crore (~20%) out of the ₹ 75,021 crore outlay for this scheme was released. The country added 8.7 GW of rooftop solar capacity in FY 2025-26, taking the cumulative installed capacity from 17 GW in FY 2024-25 to 25.7 GW by the end of FY 2025-26 (MNRE, PIB).

Distribution

According to the 14th Annual Integrated Rating & Ranking Report the distribution sector witnessed progress across the key operational and financial parameters. AT&C losses improved to 15.04% in FY 2024-25 from 15.97% in FY 2023-24. Billing efficiency and collection efficiency also improved

to 87.59% and 97% in FY 2024-25 from 86.99% and 96.60% in FY 2023-24, respectively. For the first time at the all-India level, PAT was positive on an accrual basis - PAT of ₹ 2,701 crore was achieved in FY 2024-25, combined for all rated power distribution utilities, as compared to losses of ₹ 27,022 crore in FY 2023-24. ACS-ARR Gap on Tariff Subsidy Received basis (excluding regulatory income and revenue grants under UDAY for loan takeover) too, reduced to ₹ 0.06/kWh in FY 2024-25 as compared to ₹ 0.20/kWh in FY 2023-24. Days Payable to GENCOs and TRANSCO improved to 113 days in FY 2024-25 from 132 days in FY 2023-24.

As of November 2023, Detailed Project Reports (DPRs) for projects totalling ₹ 2.5 lakh crore (Source: Press Information Bureau) and impacting 30 states/union territories were approved under the RDSS. Two years hence, that is, by November 2025, the total central grant released was around ₹ 37,000 crore.

In an effort to combat commercial losses, the Government also targeted the installation of 222 million smart meters. By December 2025, out of the sanctioned 222 million smart meters under the National Smart Grid Mission (NSGM), 3.90 crore meters were installed (Source: Press Information Bureau).

Transmission

India added about 12,000 ckm of transmission lines and approximately 1,13,000 MVA of substation capacity between March 2025 and March 2026, but progress fell short of the CEA's targets, with 80% of transmission lines and 90% of transformation capacity achieved in FY 2025-26. One of the primary challenges has been Right of Way (RoW) issues, which have delayed transmission projects. As a mitigation measure, the Ministry of Power revised the RoW guidelines, linking compensation to the market value of land. Additionally, compensation was increased for the tower base and RoW corridor. Furthermore, the Ministry of Power issued Supplementary Guidelines, which provided for the assessment of the market rate of land to be determined by a Market Rate Committee (MRC) based on the valuation by independent land valuers for the payment of RoW compensation.

Meanwhile, CEA has recommended measures for the indigenous production of transmission and distribution (T&D) equipment to reduce India's dependence on imports, strengthen supply chain resilience, and promote self-reliance in the power sector. In this context, the CEA identified 76 critical items widely used in the T&D segment, of which 16 have been prioritised for immediate localisation due to their high import reliance and strategic importance. These include components such as HVDC valve assemblies, subsea cables, voltage transformers, polymer insulators, high-conductivity copper rods, and so on.

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In FY 2025-26, transmission auctions worth ~₹ 55,000 crore were concluded through tariff-based competitive bidding. The auctions saw participation by new players and many first-time winners. It was also the year when a record number of ISTS projects (17 Nos.) were commissioned. For the first time, a state government-owned entity, MSETCL of Maharashtra, secured an intra-state TBCB project. Looking ahead, a significant pipeline of intra-state schemes is expected in Rajasthan, Maharashtra, UP, MP, and Bihar for FY 2026-27, with more states expected to join with the release of their transmission adequacy plans extending till FY 2034-35.

Electric vehicles

Electric vehicle adoption in India grew by 26% in 2025, marking the second consecutive year of growth above 25%. According to the Vahan portal, EV registrations stood at 2.45 million in FY 2025-26 compared to 1.95 million in FY 2024-25, accounting for 8.69% of all vehicle sales in FY 2025-26.

Public charging infrastructure continues to scale alongside vehicle adoption. As per data released by the Press Information Bureau, ~29,000 public EV charging stations had been installed across India as of December 2025. At the national level, the PM E-DRIVE scheme, which earmarked ₹ 2,000 crore for charging infrastructure deployment, moved into operational rollout during FY 2025-26 following the issuance of implementation guidelines in September 2025. Several states have also advanced policy execution during the year, including Delhi's updated EV policy aligned with central incentives and expanded charging targets, and administrative measures in Uttar Pradesh to streamline subsidy disbursements. Together, these developments indicate continued policy support at both the central and state levels to sustain EV adoption and infrastructure build-out.

Power trading

As of February 2026, ~238 BUs of electricity were traded in the short-term power market, compared to a total of 220 BUs traded till February 2025. Approximately 64% of this volume was traded through Power Exchanges, while about 22% was traded in bilateral mode through traders as well as direct mode, and the remaining volume through the DSM. Due to high competition among power traders, trading margins remained under pressure. While most of the market was dominated by a few major players, including Tata Power Trading Co. Ltd., the rest of the traders operated in limited market segments or regional pockets.

The average clearing price for the Day Ahead Market (DAM) as on February of FY 2025-26 was ~₹ 3.83 per unit, decreasing by nearly 14% as compared to the previous fiscal year. The prices discovered in the RTC tenders floated by distribution companies for the upcoming months of 2026 range from ₹ 4.81-6.49/kWh.

Regulatory and policy developments

A. Act, rules and regulations pertaining to the Electricity Sector

1. Electricity Amendment Bill, 2025, by MoP

The Ministry of Power issued the Draft Electricity (Amendment) Bill targeting key power sector reforms, with a focus on reducing financial stress, enhancing regulatory accountability, enabling cybersecurity and energy storage, and optimising the use of the distribution network. Notable provisions allow distribution licensees to share networks, exempt licensees from supply obligations for large consumers (>1 MW), exempt cross-subsidies for industries, introduce penalties for non-compliance with non-fossil consumption and provide a legal framework for energy storage business models.

2. Draft Electricity (Amendment) Rules, 2005- Captive by MoP

The Ministry of Power issued the Draft Electricity (Amendment) Rules 2005. The amendment provides operational flexibility for captive generating plants (CGPs) by extending the captive benefits to the group companies (whomsoever consumes from the CGP) of the captive user. For a group captive structure (having multiple captive consumers), exemption from CSS will be capped at 100% of a user's entitled proportionate consumption. However, if a captive consumer in a group captive structure holds a minimum of 26% equity in the CGP, it shall be eligible for captive benefits for its entire consumption.

3. GNA (3rd Amendment) Regulations by CERC

The CERC issued the GNA (3rd Amendment) Regulations introducing key changes pertaining to RE connectivity at the Inter-State Transmission System (ISTS). The amendment segregates connectivity into solar and non-solar components, allowing solar projects to inject power primarily during daylight (solar) hours, while non-solar sources such as wind and energy storage systems can utilise non-solar hours. The move aims to improve transmission utilisation and encourage the deployment of energy storage for shifting solar power to non-solar hours.

4. Renewable Consumption Obligation (RCO) by MoP

The Ministry of Power issued a revised notification on the Renewable Consumption Obligation (RCO), retaining the overall targets while updating key implementation modalities. The revision reduces Distributed Renewable Energy (DRE) targets to 75% for urban DISCOMs, with

the remaining share to be met through other renewable sources. Under the framework, RCO compliance can be achieved through direct consumption of renewable energy, purchase of RECs, or payment of a buyout price.

5. **Draft CERC (Power Market) (First Amendment) Regulations, 2025, by CERC**

The CERC issued the Draft Power Market (First Amendment) Regulations, 2025, to update the 2021 framework in line with developments such as Virtual Power Purchase Agreements (VPPAs), General Network Access (GNA) and OTC Guidelines. The draft formally introduces VPPAs under the OTC market, enabling financial settlement between renewable generators and consumers based on market price differences; expands OTC contracts to include BESS, power banking, and capacity contracts; and updates regulatory terminology.

6. **Final rules for Greenhouse Gases Emission Intensity (GEI) Targets by MoEFCC**

The Ministry of Environment, Forest and Climate Change has notified the Final Greenhouse Gas Emission Intensity Target Rules, 2025, prescribing sector-wise (cement, aluminium, chlor-alkali, pulp & paper, petroleum refinery, petrochemical and textile) emission intensity targets (tCO₂e per unit of output) for specified years. Non-compliance will attract environmental compensation at twice the average carbon credit price, with funds used to support the scheme's implementation. The rules are part of the Carbon Credit Trading Scheme (CCTS).

B. **Policy, Guidelines/Procedures/Frameworks pertaining to the Electricity Sector**

1. **Draft National Electricity Policy 2026**

The draft NEP aims to expand India's installed power capacity to ~2,000 GW, with ~85% from non-fossil sources and ~80% renewable generation share, while ensuring per capita consumption exceeds 4,000 units. The focus areas include resource adequacy, financial viability, generation mix, energy storage, power markets, transmission & distribution, consumer centricity, grid operations, cybersecurity, resilient & flexible grid, data sharing, technology deployment, skill development, disaster management, energy efficiency, environmental sustainability, and financing.

2. **Final Guidelines for Virtual Power Purchase Agreements (VPPA)**

The CERC issued guidelines for Virtual Power Purchase Agreements (VPPAs), allowing Designated Consumers under the Energy Conservation Act, 2001, to enter into VPPAs with renewable generators directly or via CERC-registered OTC platforms. Physical power shall be sold through exchanges, while the price difference shall be settled bilaterally, and RECs will be transferred to consumers for RCO compliance or green claims. VPPAs are non-transferable, specific delivery contracts, providing long-term renewable supply, hedging against market volatility, and supporting sustainability and ESG objectives.

3. **ALMM Order - Inclusion of Solar PV wafers (List- III) by MNRE**

The Ministry of New and Renewable Energy has proposed a draft amendment to the ALMM framework to introduce ALMM List-III for solar PV wafers, effective June 1, 2028. The list will be notified only if at least three independent manufacturers with a combined wafer capacity of 15 GW and equivalent ingot capacity are available. Under the proposal, projects covered by ALMM must source modules from List-I, cells from List-II, and wafers from List-III, with limited exemptions for projects bid before the specified cut-off date.

4. **CERC Proposal on Phased Trajectory of 'X' Factor for Computation of Deviation in W-S Technologies - DSM**

The CERC has proposed a phased transition in deviation calculations for RE projects, shifting the formula from being based on available capacity to scheduled generation by reducing the 'X' factor from 100% to 0% between FY 2025-26 and FY 2030-31. All new wind and solar projects with tendering or bid dates on or after April 1, 2026, are proposed to be treated at par with general sellers. This change is expected to increase deviation percentages, making DSM regulations more stringent for RE, and will require enhanced forecasting, scheduling, and deviation management, including aggregation through Qualified Coordination Agencies (QCA's).

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2. Tata Power Business Portfolio, Opportunities and Outlook

The Company's generation business operates under various business models across divisions in the domestic as well as international markets, with the PPA/Fixed Tariff model contributing to the largest share of the generation segment. The following is a summary of the different business models under which various generation assets of the Company operate:

Generation type	Model	Returns	Project	Capacity (MW)	% Overall capacity
Thermal	Regulated Tariff	Regulated Return on Equity (ROE)	Mumbai operation-Trombay, Maithon Jojobera (Units No. 2 and 3), TPDDL-Rithala	2,328	14%
	PPA/Fixed Tariff (Bid/Others)	Bilateral Agreement + Bid Driven	Jojobera (Unit 1 and 4), Mundra, Kalinganagar-IEL-40 MW	4,378	26%
	Captive	Bilateral Captive Agreement	IEL (Unit 5), CKP (Indonesia)	174	1%
	Under Platform Management	PPA Based	Prayagraj	1,980	12%
	Sub-total			8,860	53%
Clean and Green	PPA/Fixed Tariff (Renewables)	Feed In Tariff + Bid Driven	Wind, Solar and Hybrid Projects (Domestic), TPTCL, TPDDL	5,487	33%
	Regulated Tariff	Regulated Return on Equity (ROE)	Mumbai operations-Hydro	447	3%
	PPA/Fixed Tariff (Bid/Others)	Bilateral Agreement + Bid Driven	Itezhi-Tezhi Hydro Projects, Georgia Hydro	307	2%
	Captive	Bilateral Captive Agreement	IEL (Unit 6, KPO), Captive Renewable project	1,169	7%
	Merchant	Market Driven	Haldia, Dagachhu, Renewables-Solar-TPTCL	446	3%
	Sub-total			7,856	47%
Total			16,716	100%	

The Company has significantly expanded its footprint in the power distribution business through the PPP model and is now present in the following areas.

Model	Returns	Distribution area/entity	No. of customers (in million)
Distribution Licensee	Regulated Return on Equity (ROE)	Mumbai Distribution	0.8
Public-Private-Partnership (PPP)	Regulated + Bid conditions driven	TPDDL, TPCODL, TPWODL, TPSODL and TPNODL	12.1
Distribution Franchisee (DF)	Input energy growth and investment-driven	TPADL	0.2
Total			13.1

The Company plans to grow in the areas of renewable generation, transmission, distribution and new-age energy solutions.

Thermal, Hydro and Pumped Storage

Electricity generation continues to be a core element of Tata Power's integrated business model and plays a critical role in supporting the Company's transmission, distribution and clean energy growth platforms. The Company's generation strategy is closely aligned with its commitment to achieve net zero greenhouse gas emissions by 2045, while ensuring energy security, grid stability and financial discipline during the transition. In line with this approach, Tata Power is progressively reshaping its generation portfolio by limiting exposure to coal based assets, expanding clean and dispatchable hydro capacity, and making targeted

investments in long duration energy storage solutions, particularly pumped hydro storage, which are essential to support increasing penetration of variable renewable energy.

Thermal generation currently serves as a transitional support to the power system, providing dependable capacity during periods of peak demand and renewable intermittency. The Management is focusing on operating the existing thermal fleet safely and efficiently, with strict adherence to environmental norms, fuel optimisation and emission reduction initiatives. Capital expenditure in this segment is largely directed towards essential maintenance, efficiency upgrades and statutory environmental compliance. Thermal

assets are expected to continue operations through their contracted life, with retirement aligned to power purchase agreement timelines and system requirements. While thermal power will continue to play a balancing role in the near term, its relative share in the overall generation mix is expected to decline steadily as renewable energy and storage capacity increase. Any selective thermal opportunities, if considered, would be short tenure, return accretive, and aligned with energy security needs, without altering long term decarbonisation commitments.

Hydropower remains a strategic pillar of the Company's clean energy portfolio, given its long asset life, low operating emissions, and inherent ability to provide peaking power, rapid ramp up capability and black start support. These attributes are increasingly important for maintaining grid stability in a system with rising renewable penetration. Tata Power strengthened its hydro portfolio through its partnership with Druk Green Power Corporation of Bhutan under a broader framework to jointly develop up more than 5,000 MW of clean energy capacity with addition of 404 MW Nyera Amari I & II Integrated Hydropower Project.

As part of this collaboration, Tata Power holds a 40% equity stake in Khorlochhu Hydro Power Limited, which is developing the Khorlochhu Hydropower Project in Bhutan, with a capacity of 600 MW. The Company has committed approximately ₹ 830 crore through phased equity investment. The project has achieved financial closure, including a term loan from Power Finance Corporation, and major civil works contracts have been awarded. Construction activities have commenced, with commissioning targeted around CY 2030. Completed first disbursement of ₹ 500 crore from PFC. The project is expected to generate approximately 2,524 million units of electricity annually, strengthening Tata Power's international hydro portfolio and contributing to cross border clean energy cooperation.

In addition, Tata Power has entered into definitive agreements for a 40% equity participation in the 1,125 MW Dorjilung Hydropower Project in Bhutan. The Company's equity commitment is approximately ₹ 1,572 crore, as part of an overall project cost of about ₹ 13,100 crore. Dorjilung is being developed under a public private partnership framework with Druk Green Power Corporation with institutional support and is among the largest upcoming hydropower projects in Bhutan. Commissioning is currently targeted around FY 2032 with a significant portion of the power proposed to be exported to India, thereby enhancing regional energy security and reinforcing Tata Power's long term clean energy growth pipeline. Royal Government of Bhutan and the World Bank Group signed financing agreement totalling \$515 million.

Pumped hydro storage has emerged as a key strategic focus area for Tata Power, enabling large scale integration of renewable energy by providing long duration storage, peak shaving capability and frequency regulation. During the year, the Company made significant progress on its pumped storage initiatives in Maharashtra under an MoU with the Government of Maharashtra for the development of 2,800 MW of capacity. The 1,000 MW Bhivpuri pumped storage project in Raigad has received all required statutory approvals, and construction work has commenced, with major civil works awarded and electromechanical equipment contracts finalised. The project is targeted for commissioning by CY 2029 and is expected to play a critical role in supporting a round-the-clock clean power supply.

The 1,800 MW Shirwata pumped storage project in Pune is in advanced stages of development, with construction expected to commence during FY 2026-27. Together, the Bhivpuri and Shirwata projects represent a combined investment of approximately ₹ 13,000 crore and position Tata Power among the leading developers of large scale energy storage capacity in India.

Tata Power's generation portfolio is undergoing a deliberate and disciplined transition towards a cleaner, more flexible and resilient mix. The Company's focus on responsible thermal operations, expansion of hydro capacity through strategic partnerships, and development of pumped hydro storage assets is central to achieving its Net Zero 2045 ambition. These initiatives strengthen grid reliability, enable higher renewable energy penetration and support sustainable long term value creation for all stakeholders.

Solar cell and module manufacturing plant

Tata Power, through its subsidiary TP Solar Limited, has integrated 4.3 GW solar cell and module manufacturing plant in Tirunelveli, Tamil Nadu. With a ₹ 4,300 crore investment, this facility enhances domestic production, cuts import dependence and drives India's clean energy shift. Equipped with advanced TOPCon and Mono PERC technologies, it ensures high-efficiency solar cells and modules for the growing renewable energy sector. All four cell lines have operated at full capacity during the year.

Ingot and wafer manufacturing plant : The proposed new line of business falls within the upstream Solar Photovoltaic (PV) manufacturing segment, specifically PV ingot and wafer manufacturing, which is a critical part of the solar value chain, supplying key inputs to downstream cell and module manufacturing. The foray into ingot and wafer manufacturing supports strategic backward integration;

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reduces dependence on imports, which are currently dominated by China; and positions the Company to benefit from India's policy driven push toward domestic self reliance in solar manufacturing, particularly in view of the forthcoming ALMM List III requirements. The proposed investment is around ₹ 6,500 crore, based on an overall planned capacity of up to 10 GW of ingot wafer manufacturing to be implemented in two phases of 5 GW each. In addition to revenue generation, the project offers significant strategic benefits, including early mover advantage in a capacity constrained domestic market, enhanced supply security for downstream operations, improved margins through vertical integration, and strong financial returns with a projected payback period of approximately five years, while also aligning with national manufacturing priorities and enabling the Company to leverage policy incentives and demand protection mechanisms.

Consumer business

The Company has major plans to scale up consumer businesses, including Rooftop Solar, Tata Power EZ Charge, Energy-as-a service Tata Power EZ Home and Microgrids.

Rooftop Solar

Tata Power has been at the forefront of accelerating rooftop solar adoption in India, pioneering the country's retail channel led business model to scale residential solar deployment. With the introduction of the PM Surya Ghar Muft Bijli Yojana, which targets solar installations across one crore households by March 2027, the Company is well-positioned to drive large scale adoption in the residential segment, supported by its strong execution capabilities, brand trust and nationwide presence.

During the year, Tata Power continued to strengthen its rooftop solar proposition by addressing key adoption barriers through a multi pronged strategy focused on accessibility, standardisation and customer convenience. The Company expanded its reach across Tier II and Tier III markets by building a robust ecosystem of 690+ residential channel partners and over 3,000 retailers. A standardised portfolio of rooftop solar kits ranging from 1 kW to 10 kW, including on grid and MySine battery integrated solutions, enabled faster deployment and improved customer choice, with turnaround time from enquiry to installation reduced to approximately seven days. Customised module mounting structures were developed to suit varied roof types across regions, supported by a network of regional structure fabricators.

Operational efficiency and customer experience were further enhanced through improvements in last mile delivery and digital integration. Strategically located warehouses improved

service proximity and delivery timelines, while digitisation of material management and logistics reduced process inefficiencies. Tata Power also pioneered AI/ML enabled instant warranty generation, improving transparency and strengthening customer trust. To improve affordability, comprehensive financing solutions were offered through partnerships with 16 financial institutions, covering public sector banks, regional rural banks, private banks and NBFCs, along with industry first promotional schemes under the PM Surya Ghar framework. Integrated digital tools, including an online EMI calculator and value added offerings such as solar insurance, further simplified the customer journey.

As a result of these initiatives, Tata Power enabled approximately 2.4 lakh households to adopt rooftop solar solutions, delivering tangible cost savings while contributing meaningfully to India's clean energy transition. The Company continues to maintain its leadership position as India's No. 1 rooftop solar player for eleven consecutive years, with an estimated 12% market share, a customer base exceeding 3 lakh, and over 4,800 MWp of rooftop solar capacity installed nationwide. In FY26 alone, the Company has installed 1,700 MWp of rooftop solar capacity. Going forward, Tata Power aims to deepen national penetration by expanding its dealer network to 5,000+ partners, leveraging domestic manufacturing at its Tirunelveli facility, long term module warranties, battery backed reliability and flexible financing solutions to make solar power accessible, affordable and reliable for households and businesses across India.

EZ Charge

Tata Power is at the forefront of India's electric mobility transition, focused on building a reliable, scalable and technology driven EV charging ecosystem. The Company's strategy centres on expanding charging infrastructure, enhancing customer experience through digital innovation, improving network reliability and integrating sustainability across operations, in alignment with the Government of India's target of achieving 30% EV adoption by 2030.

During FY 2025-26, digital capabilities of the Tata Power EZ Charge application were further strengthened to simplify and enhance the charging experience. The introduction of features such as Auto Charge enables automatic identification and authorisation of charging sessions on compatible DC chargers, eliminating the need for manual intervention by users, while the Trip Planner feature supports seamless long distance travel by enabling route planning and navigation to charging locations. These enhancements drove strong customer adoption, with the registered user base on the EZ Charge platform growing by over 70% compared to FY 2024-25, reflecting improved engagement and rising consumer confidence in public charging infrastructure.

In parallel, the Company intensified its focus on improving charger uptime and utilisation across its public charging network. Proactive monitoring through a 24x7 network operations centre, supported by real time diagnostics, predictive maintenance, preventive servicing and improved hardware and software reliability, resulted in a meaningful reduction in downtime and enhanced first time charging success rates. As a result, charger utilisation increased by 25% during FY 2025-26, while public charging revenues grew by 65% over FY 2024-25, underscoring the strong linkage between reliability, customer satisfaction and commercial performance.

As of year end, Tata Power had deployed over 5,800 public, semi public and fleet charging points; more than 2,00,000 home chargers; and 1,200+ electric bus charging points across 700+ cities and towns, including Tier II and Tier III locations, supported by 1,160+ fast charging points across 254 highway corridors. The expanding network has enabled widespread EV adoption, supported 5.62 lakh registered users, and contributed to an estimated reduction of 15,47,088 tonnes of CO₂ emissions, including the operation of over 1,000 green energy powered chargers in Mumbai. With continued investments in digitalisation, reliability and green power integration, Tata Power remains well-positioned to play a central role in India's e mobility and decarbonisation journey.

Energy-as-a-service (EaaS)

EaaS business continues to enable large industrial and commercial customers to transition toward efficient, low carbon operations through outcome based, service led solutions. Leveraging AI/ML driven real time analytics, the Company empowers customers to optimise energy consumption, costs and performance across demand and supply portfolios through offerings such as Monitoring & Save, Renewable Asset Monitoring, Energy Trading and Power Portfolio Management, with minimal upfront investment. During the year, Tata Power strengthened its digital EaaS platform in collaboration with Tata Consultancy Services; expanded into Cooling-as-a-service (CaaS) through strategic partnerships to support Scope 1 and Scope 2 emissions reduction; and delivered 20+ projects across key cities, while building a strong, qualified pipeline, reinforcing its scalable and integrated energy efficiency business model.

EZ Home

Driven by innovation and sustainability, Tata Power EZ Home has emerged as a trusted provider of smart energy solutions for connected living, with a strong focus on customer centric innovation. In FY 2025-26, the Company expanded its IoT portfolio with the launch of retrofit curtain controllers, portable smart IR blasters, and a new range of non IoT switches and plates while strengthening its presence across

Tier I, II and emerging cities under the 100 Cities Expansion Programme. EZ Home also strengthened its role in India's EV ecosystem by supplying 3.3 kW AC charging boxes to Montra Electric and expanding its home EV charging portfolio with a 7.4 kW AC charger. During the year, the business billed 49,378 units, generating revenues of ₹ 8.6 crore.

Customer experience remained a key priority, supported by the launch of real time service request tracking and automated warranty generation. The year also saw strong innovation momentum, including the receipt of the third patent for energy usage analytics, the development of advanced 7.4 kW smart EV chargers, and the rollout of a unified smart application integrating smart meters and appliances. EZ Home progressed on next generation AI based load prediction and smart lighting platforms, while strengthening collaborations with technology and appliance partners. During FY 2025-26, the business was recognised by the Ministry of Power as the sole winner for AI/ML driven innovation in the Home Automation category, reinforcing its leadership in smart energy solutions.

Microgrids

It delivers clean, affordable and reliable power to underserved rural communities, reducing diesel dependence and supporting low carbon development while enabling rural livelihoods with a strong focus on women entrepreneurs. During FY 2025-26, the Company deployed microgrids across ~200 villages in 11 districts with an installed capacity of ~6 MW, serving over 24,000 rural customers and enabling access to energy efficient, income generating assets for ~400 consumers through integrated renewable solutions using solar, wind and biogas. The business also executed solar microgrid solutions for remote establishments of India's Central Armed Police Forces under CSR funded initiatives while strengthening financial inclusion through 100% digital collections by volume (98% by value) and automated land lease payments.

3. Business Performance

The Company's consolidated operations are categorised into four segments: Thermal & Hydro, Transmission & Distribution, Renewables, and Others. A report on the performance and financial position of each subsidiary, JV, and associate company is provided in Form AOC-1.

In FY 2025-26, the Company's financial performance was supported by resilience across core businesses, with Renewables, Transmission & Distribution, and Thermal & Hydro largely offsetting the impact of the Mundra Thermal Plant shutdown.

Growth was driven by strong momentum in the Rooftop segment, scale-up of the solar manufacturing facility, and continued capacity additions and execution of EPC projects.

Management Discussion and Analysis

Transmission & Distribution performance benefited from regulatory gains, improved billing and collection efficiency, expansion of the asset base, particularly through TBCB projects. Thermal & Hydro operations were supported by incremental revenues from the Maithon FGD capitalisation, although the absence of prior-year one-offs and lower merchant margins created some moderation.

EBITDA growth was led by higher contributions from Renewables and Solar Manufacturing, along with operational efficiencies across segments. Profitability remained robust despite the Mundra shutdown, reflecting the strength of the diversified portfolio and improved earnings quality. The absence of exceptional losses recorded in the prior year further supported the normalisation of PAT. However, profits from joint ventures and associates declined due to lower coal company earnings, partially offset by MAT asset recognition in IEL and reduced losses in Tata Projects Limited. Overall, the Company demonstrated resilience through strategic execution and operational discipline.

Renewables

RE Generating Companies (6,509 MW capacity)

Type of entity: Subsidiary [Tata Power Renewable Energy Limited (TPREL), TP Saurya Limited, Tata Power Green Energy Limited, TP Kirnali Limited and Captive Cos].

Particulars	FY26	FY25
Sales (MUs)	10,466	9,624
Revenue from Operations (₹ crore)	4,131	3,808
PAT (₹ crore)	414	526

The Company's higher sales were due to the addition of 968 MW capacity during the year.

At the end of FY 2025-26, the total renewable portfolio stands at 11.6 GW, including 5.1 GW of projects under various stages of implementation. The total operational capacity is 6.5 GW, which comprises 5.3 GW of solar and 1.2 GW of wind capacity.

Solar Rooftop Retail

Particulars	FY26	FY25
Revenue from Operations (in ₹ crore)	4,759	2,210
PAT (in ₹ crore)	499	200

The Rooftop Solar business continued to strengthen its leadership position during FY 2025-26, offering efficient and sustainable rooftop and ground-mounted solar solutions that

enable customers to achieve significant energy cost savings while supporting environmental sustainability. Tata Power remained a leading player in India's solar EPC segment, with an estimated market share of approximately 12%, underpinned by its strong execution capabilities and nationwide presence. The Company sustained its position as the No. 1 rooftop solar player in India for the eleventh consecutive year (according to CRISIL, erstwhile Bridge to India), reflecting consistent operational performance and customer trust. With an installed base exceeding 4,800 MWp across residential, commercial, and industrial segments, Tata Power has established a robust footprint across multiple geographies.

The Company's expanding customer base, now exceeding 3,70,000+ consumers, underscores its strong brand equity and customer-centric approach. Continued growth across both residential and C&I segments further highlights the scalability and diversification of its rooftop solar portfolio, reinforcing its leadership in India's distributed solar market.

The Government's PM Surya Ghar Muft Bijli Yojana (PMSGY) accelerated demand for residential rooftop installations, driving strong growth in the Company's channel-led business across regions and significantly increasing residential sales.

The Commercial & Industrial (C&I) segment also recorded strong double-digit growth during the year, contributing approximately 810 MWp, which accounted for about 48% of the Company's total rooftop solar portfolio. This performance highlights the scale, strength and diversification of the Company's rooftop solar business.

As of March 31, 2026, the Company maintained a robust order book of ₹ 898 crore in rooftop solar orders, providing strong revenue visibility for the coming periods.

EPC Division

Particulars	FY26	FY25
Revenue from Operations (in ₹ crore)	5,037	7,833
PAT (in ₹ crore)	211	290

During the year, the EPC Division expanded its execution capabilities beyond conventional solar projects and successfully delivered integrated renewable energy solutions, including solar, wind, and Battery Energy Storage System (BESS) projects. These were executed as part of complex Firm and Dispatchable Renewable Energy (FDRE) and hybrid renewable energy projects, demonstrating the Company's growing technical expertise and capability in handling integrated and dispatchable renewable solutions.

EV Business

Particulars	FY26	FY25
Revenue from Operations (in ₹ crore)	192	168

EV Business continued to play a pivotal role in advancing India's e-mobility ecosystem during FY 2025-26 by expanding its extensive EV charging infrastructure across the country. Installed over 7,000 public and semi-public charging points, including more than 1,200 bus charging points and 2 lakh home EV charger installations, while the EZ Charge mobile application crossed 5 lakh registered users, reflecting rising consumer adoption of its integrated EV ecosystem.

Its network presence spans 700+ cities and towns nation wide, supporting widespread adoption of electric mobility.

To address range anxiety and enable seamless intercity travel, it has deployed over 1,160 fast-charging points across 254+ key highway corridors. These efforts are aligned with the Government of India's vision of achieving 30% EV adoption by 2030 and contribute to reducing dependence on fossil fuels and promoting the decarbonisation of the transportation sector.

The initiatives have contributed to an estimated reduction of approximately 15,47,088 tons of CO₂ emissions. It has already commenced this transition by powering over 1,000 charge points in Mumbai through renewable energy, underscoring its commitment to sustainability and clean energy adoption.

TP Solar Limited -TPSL

Type of entity: (100% subsidiary of TPREL).

Particulars	FY26	FY25
Revenue from Operations (in ₹ crore)	6,968	5,337
PAT (in ₹ crore)	857	422

TP Solar Limited (TPSL), a wholly owned subsidiary of Tata Power Renewable Energy Limited and the Group's solar manufacturing arm, continued to strengthen its manufacturing footprint and technological capabilities during FY 2025-26. The Tirunelveli facility achieved production of 3,825 MW of solar modules and 3,702 MW of PERC cells, with peak efficiencies of 23.5%, reflecting consistent focus on operational excellence and efficiency enhancement.

The Company also progressed in advancing next-generation technologies with the commencement of production on its TOPCon pilot line, delivering a cumulative output of 57 MW during the year and achieving peak efficiency of 25%. TPSL's MonoPERC modules remained export-ready and compliant

with global quality benchmarks, including traceability standards, bankability requirements, PVEL reliability validation, CEC listing, and BNEF criteria, and were recognised as a PVEL Top Performer.

On the operational front, TPSL played a key role in supporting utility-scale solar project execution, including major developments in Bikaner for customers such as NHPC, SJVNL, and NLC. The Company also contributed to scaling rooftop solar adoption under PMSJY, with dispatches of 791 MW during FY 2025-26, taking cumulative dispatches to 918 MW.

The year was further marked by strong recognition of TPSL's commitment to innovation, quality, and sustainability. Key accolades included the Tata Innovista 2025 Award for the Zero Liquid Discharge (ZLD) Plant, the ASQ South Asia Team Award, and the Platinum Award at the CII National Competition, reinforcing TPSL's position as a high-quality, innovation-led manufacturing platform.

Tata Power Hydros (447 MW)

Type of entity: Division.

Particulars	FY26	FY25
Sales (Mus)*	1,513	1,545

* Includes sales to the Company's Distribution Division.

Plant availability for the year stood at 89.4%, reflecting the impact of the planned 115-day BPSU overhaul undertaken as part of scheduled maintenance to enhance long-term reliability and operational performance of the units. The outage was strategically executed to ensure sustained efficiency and reduce unplanned disruptions in future operations.

The station continued to strengthen its focus on operational efficiency and energy conservation initiatives during the year. These efforts resulted in an improvement in Auxiliary Power Consumption (APC), which was reduced to 1.40% as compared to 1.50% in the previous year, indicating better internal consumption management and optimised plant performance.

Thermal Generation

Maithon Power Limited- MPL (1,050 MW)

Type of entity: Subsidiary (Tata Power: 74%, DVC: 26%).

Particulars	FY26	FY25
Sales (MUs)	6,934	7,138
Revenue from Operations (in ₹ crore)	3,095	2,954
PAT (in ₹ crore)	404	346

Management Discussion and Analysis

The Company has established a thermal power generation facility at Maithon, Jharkhand, comprising two units of 525 MW each, with a total installed capacity of 1,050 MW. During the current year, the Company reported a Profit After Tax (PAT) of ₹ 404 crore, supported primarily by a regulatory order from CERC amounting to ₹ 23 crore, along with higher ancillary income driven by MB TRAS participation and FGD-related supplementary capacity and energy charges.

CRISIL has reaffirmed its credit rating for Maithon Power Limited (MPL) at 'CRISIL AA+/Stable/CRISIL A1+', reflecting the Company's stable credit profile.

Operationally, the De-NOx system for Unit #1 was successfully commissioned on January 1, 2026, while FGD Unit #1, along with the common system, was commissioned on June 30, 2025, enabling booking of FGD supplementary charges under a future tariff and commencement of billing for FGD energy charges to customers.

The Company has also commenced participation in the new ancillary services framework under the TRAS-based market scheme, which has contributed meaningfully to revenue during the year.

Industrial Energy Limited- IEL (483 MW)

Type of entity: Subsidiary (Tata Power: 74%, Tata Steel: 26%) (Joint Venture under Ind AS).

Particulars	FY26	FY25
Generation Sales (MUs)	3,215	3,016
Revenue from Operations (₹ crore)	317	327
PAT (₹ crore)	190	117

Figures are presented on a 100% basis, with the Company holding a 74% share.

Industrial Energy Limited (IEL) operates a 120 MW tolling coal-based plant at Jojobera. It also operates a 120 MW co-generation plant (Powerhouse #6) located within the Tata Steel plant at Jamshedpur, which is based on blast furnace and coke oven gases. Further, the Company operates three co-generation units at Kalinganagar, Odisha, each with a capacity of 67.5 MW, utilising production gases from Tata Steel's plant. In addition, IEL has a 40 MW standby DG plant at Kalinganagar, Odisha.

Profit After Tax (PAT) for the year is higher primarily due to the recognition of MAT Credit Entitlement amounting to ₹ 84.72 crore in the current year as compared to the previous year.

IEL is at an advanced stage of implementing the 120 MW PH 7 captive power plant at Jamshedpur. Additionally, the

Company commenced operations of the 15 MW Domjuri Solar Plant in July 2025. The Flue Gas Desulphurisation (FGD) project was also successfully commissioned during Q4 FY 2025-26, further enhancing operational efficiency and supporting sustainability initiatives.

Trombay (930 MW)

Type of entity: Division.

Particulars	FY26	FY25
Sales (MUs)*	4,502	4,420

*Includes sales to the Company's Distribution Division.

During the year, total generation was higher compared to FY 2024-25, reflecting improved operational performance. Plant availability also improved significantly to 93.2% in FY 2025-26 from 76.6% in the previous year.

Auxiliary Power Consumption (APC) was higher at 6.4% in FY 2025-26 as compared to 5.6% in FY 2024-25. The variations in both availability and APC are primarily attributable to operational factors, including the shutdown of Unit 5 in FY 2024-25 following a fire incident.

Jojobera (428 MW)

Type of entity: Division.

Particulars	FY26	FY25
Sales (MUs)	2,880	2,904

The Jojobera plant achieved an availability of 96.8% in FY 2025-26 as compared to 95.1% in the previous year, reflecting sustained improvement in operational performance. The increase in availability was driven by implementation of prudent measures aimed at enhancing reliability, minimising forced outages, and optimising planned maintenance shutdowns.

Haldia (120 MW)

Type of entity: Division.

Particulars	FY26	FY25
Sales (MUs)	878	902

Haldia has maintained its performance in FY 2025-26 through various process interventions and successful mitigation of internal challenges. The division achieved a plant load factor (PLF) of 89.7% for FY 2025-26 and attained the lowest auxiliary consumption rate of 6.9%.

Mundra, Coal and Related Infrastructure Companies

Mundra Thermal Plant (4,150 MW)

Type of entity: Division.

Particulars	FY26	FY25
Sales (Mus)	5,884	21,776

The Mundra plant operated from April 1, 2025 to June 30, 2025. With effect from July 3, 2025, operations of the Plant were temporarily suspended to undertake pending overhauling activities aimed at addressing existing technical issues.

On March 23, 2026, with effect from April 1, 2025, the Company executed the supplementary power purchase agreement ("SPPA") with Gujarat Urja Vikas Nigam Limited ("GUVNL"), with revised tariff and power supply framework, which superseded the earlier PPA for GUVNL's contracted capacity. While approvals from the remaining procurers are in progress, the MoP has issued fresh directions under Section 11 permitting plant operations from April 1, 2026 to June 30, 2026 with the terms of SPPA, during which period management expects completion of the SPPA with the other procurers.

In parallel, the Company has undertaken various initiatives to mitigate losses and improve operational efficiency, including sourcing lower-cost coal from diversified geographies and increasing the blending of lower calorific value coal. Additionally, construction of the Flue Gas Desulphurisation (FGD) system is progressing as planned and is expected to be completed in FY 2026-27, supporting compliance and strengthening long-term sustainability of operations.

Coal and Related Infrastructure Companies

The Company, through its subsidiary, maintains strategic investments in key coal assets to support fuel security and mitigate price volatility risks associated with its thermal operations. It holds a 30% stake in PT Kaltim Prima Coal (KPC), which serves as a critical hedge against imported coal price fluctuations for the Mundra Thermal Plant and forms an integral part of the coal supply chain for its off-take requirements.

In addition, the Company holds a 26% stake in PT Baramulti Suksessarana Tbk (BSSR) and PT Antang Gunung Meratus (AGM), further strengthening its upstream linkage and diversifying its coal sourcing portfolio. These investments enhance supply reliability while providing strategic flexibility in managing fuel costs and supporting overall operational stability.

PT Kaltim Prima Coal, Indonesia

Particulars	FY26	FY25
Coal Production (million tonnes)	53.4	53.0

The coal price realisation for the year was at \$ 61.16/tonne as compared to \$ 72.86/tonne in the previous year due to lower coal prices in the market.

PT Baramulti Suksessarana Tbk and PT Antang Gunung Meratus, Indonesia

Particulars	FY26	FY25
Coal Production (million tonnes)	17.4	19.7

The coal price realisation for the year was at \$ 40.82/tonne as compared to \$ 44.04/tonne in the previous year, which is in line with the overall lesser demand for coal.

PT Nusa Tambang Pratama, Indonesia (Infrastructure Company)

Particulars	FY26	FY25
Revenue from Operations* (in ₹ crore)	763	733
PAT* (in ₹ crore)	379	395

* Figures are on a 100% basis. The Company's share is 30%.

Revenue has been more or less at the same level. PAT has been primarily lower due to certain provisions that have been taken for receivables arising out of an asset swap, which is non-cash in nature.

Trust Energy Resources Pte. Limited – TERPL

Particulars	FY26	FY25
Revenue from Operations (₹ crore)	387	961
PAT (₹ crore)	60	202

Revenue and PAT have decreased due to a lower number of shipments.

Tata Power International Pte. Limited - TPIPL

Tata Power International holds 50% in Adjaristsqali Netherlands B.V. (ABV), which has a 180 MW Hydro Project in Georgia; 26% in Resurgent Power Ventures Pte Ltd; and 26% in PT Baramulti Suksessarana TBK.

Management Discussion and Analysis

Transmission

Mumbai Transmission

Type of entity: Division.

Particulars	FY26	FY25
Grid Availability (%)	99.9	99.8
Transmission (Ckm)	1,409	1,291

The transmission assets in the Mumbai licence area achieved a grid availability of 99.9% in FY 2025-26, exceeding the MERC benchmark of 98%. The Transmission Division operates across the city of Mumbai and the wider Mumbai Metropolitan Region (MMR), extending up to the hydro-generating stations located in the Raigad district, Maharashtra. To support the power demand of the Mumbai region & strengthen the transmission network, it has achieved the highest-ever capital expenditure during the period under review.

Powerlinks Transmission Limited – PTL

Type of entity: Subsidiary (Tata Power: 51%, PGCIL: 49%) (Joint Venture under Ind AS).

Particulars*	FY26	FY25
Revenue from Operations (₹ crore) ***	277	123
PAT (₹ crore)	82	79
Transmission (Ckm)	2,328	2,328

*Figures are presented on a 100% basis, with the Company holding a 51% share.

**Revenue from operations for FY 2025-26 is higher, primarily due to the impact of the amendment in the MAT credit mechanism introduced through the Finance Bill 2026.

The average availability of transmission lines remained strong at 99.87% during the year, reflecting stable operational performance and effective asset management.

TP Bikaner III Neemrana II Transmission Limited

Type of entity: Wholly-owned Subsidiary.

Particulars	FY26	FY25
Transmission Ckm- under construction	692	692

Tata Power acquired TP Bikaner III Neemrana II Transmission Limited on December 27, 2023 through the Tariff-Based Competitive Bidding (TBCB) route. The special purpose vehicle (SPV) has been established to develop an inter-state transmission system for the evacuation of approximately 7.7 GW of renewable energy from the Bikaner Complex in Rajasthan.

The project is currently under construction and is expected to be commissioned during FY 2026-27. Upon commissioning, the asset will operate under a licence awarded u/s 63 of the Electricity Act with a stable revenue stream for a tenure of 35 years, contributing to the Company's growing transmission portfolio and supporting renewable energy integration into the grid.

TP Jalpura Khurja Power Transmission Limited

Type of entity: Wholly-owned Subsidiary.

Particulars	FY26	FY25
Transmission Ckm- partly under construction	164	164

Tata Power acquired Jalpura Khurja Power Transmission Limited on April 5, 2024, through the Tariff-Based Competitive Bidding (TBCB) route. The special purpose vehicle (SPV) has been established to develop the Company's first greenfield intra-state transmission system in Uttar Pradesh, marking a strategic expansion of its transmission portfolio.

During the year, the Company successfully commissioned Element-1 of the project, comprising the 400/220 kV Metro Depot Substation along with associated transmission lines. This critical infrastructure has enabled the addition of 1,000 MVA transformation capacity to support the growing power demand from data centres in the Greater Noida and NCR region. The project also facilitates the evacuation of surplus power to the Northern Grid, thereby supporting demand across other northern states.

Element-2 of the project, covering 162 ckm is currently under construction and is expected to be commissioned in Q1 of FY 2026-27. Upon commissioning, the asset will operate under a licence awarded u/s 63 of the Electricity Act with a stable revenue stream for a tenure of 35 years, contributing to the Company's growing transmission portfolio and supporting renewable energy integration into the grid.

TP Paradeep Transmission Ltd

Type of entity: Wholly-owned Subsidiary.

Particulars	FY26	FY25
Transmission Ckm- under construction	384	384

The Tata Power Company Limited has secured the bid to acquire TP Paradeep Transmission Limited (formerly known as Paradeep Transmission Limited) through the competitive bidding process, further strengthening its transmission portfolio.

The project, located in Odisha, involves the development of key transmission infrastructure, including the establishment of a 765/400 kV Paradeep GIS substation and approximately 358 ckm of transmission lines connecting the Paradeep substation to the Angul substation. In addition, a 26 ckm 400 kV transmission line will link the upcoming Paradeep GIS substation with OPTCL's substation at Paradeep, enhancing regional grid connectivity.

TP Gopalpur Transmission Ltd

Type of entity: Wholly-owned Subsidiary.

Particulars	FY26	FY25
Transmission Ckm- under construction	377	377

Tata Power has secured the bid to acquire TP Gopalpur Transmission Limited (formerly known as ERES XXXIX Power Transmission Limited), further strengthening its transmission portfolio through the competitive bidding route.

The project, located in Odisha, involves the development of a 765/400 kV GIS substation at Gopalpur with a capacity of 2 × 1500 MVA. The 765 kV transmission line will connect the upcoming Gopalpur GIS substation to the 400 kV GIS substation at Gopalpur, being developed by the state utility, Odisha Power Transmission Corporation Limited (OPTCL), enhancing regional grid integration and power evacuation capabilities.

The project is currently in the development stage and is expected to be commissioned by December 2027, contributing to strengthening transmission infrastructure and enabling reliable power flow within the region.

TP Jejuri Hinjewadi Power Transmission Limited

Type of entity: Wholly-owned Subsidiary.

Particulars	FY26
Transmission ckm - under construction	226

The Tata Power Company Limited has secured the bid to acquire Jejuri Hinjewadi Transmission Limited through the Tariff-Based Competitive Bidding (TBCB) process, further strengthening its transmission portfolio in Maharashtra.

The project involves the development of a 400 kV double-circuit transmission line from Jejuri to Hinjewadi, comprising approximately 226 ckm of transmission lines along with associated equipment. This infrastructure is expected to enhance grid connectivity and support growing power demand in the region.

The project is currently under development and is scheduled to be commissioned by January 2028, contributing to the expansion of the Company's transmission network and supporting a reliable power supply.

Distribution

Mumbai Distribution

Type of entity: Division.

The highlights of the Mumbai Distribution Business are as follows:

Particulars	FY26	FY25
Sales (MUs)	6,127	6,004
Consumer Base (Nos.)	8,01,704	7,96,449

Customer Centric Service Simplification: Tata Power Mumbai Distribution enhanced the ease of service through initiatives, such as Naam Badlaav Pakhwada, processing over 3,000 name change requests with a transparent, assisted and hassle free approach.

Digital Adoption and Responsiveness: Digital engagement was strengthened through campaigns like Go Digi Get Lucky, AI enabled email responses, a 24x7 WhatsApp support platform resolving over 96% of queries, and the launch of dedicated social media channels.

Inclusive and Personalised Engagement: All Women Customer Relations Centres, Senior Citizen Desks under Varishtha Nagrik Samman Seva, and a new Customer Experience Centre reinforced inclusive, empathetic, and high quality service delivery.

Community Outreach and Connectivity: MILAN – Customer Connect Camps reached over 13,000 consumers in FY 2025-26 with on ground support, digital literacy, and safety awareness, complemented by Nukkad Natak initiatives during Ganesh Utsav.

Innovation, Safety, and Demand Management: Advanced initiatives such as energy disaggregation, UPI based instant reward demand response programmes, and 4D VR safety training promoted energy efficiency, consumer participation, and enhanced safety practices.

Capability Building and Long Term Value Creation: Through TPSDI, over 450 technicians were trained in FY 2025-26, alongside customer reward programmes and hydro plant visits, strengthening reliability, sustainability awareness, and stakeholder value.

Management Discussion and Analysis

Tata Power Delhi Distribution Limited – TPDDL

Type of entity: Subsidiary (Tata Power: 51%, Government of National Capital Territory (NCT) of Delhi: 49%).

Particulars*	FY26	FY25
Sales (MUs)	10,981	10,807
Revenue from Operations (₹ crore)	10,426	9,925
PAT (₹ crore)	1,299	842
AT&C Loss (%)	5.4	5.4

TPDDL supplies electricity to the North and North-West regions of Delhi and continues to demonstrate stable operational performance and customer growth. In FY 2025-26, the Company's registered consumer base increased to 21.89 lakh from 21.03 lakh in the previous year, while AT&C losses marginally reduced to 5.42% from 5.44%. TPDDL successfully met a peak load of 2,410 MW during the year, maintaining 100% system availability at the 66/33 kV level, reflecting strong network reliability.

During the year, TPDDL received a favourable judgement from APTEL on certain matters relating to earlier tariff orders, true-up orders for FY 2021-22 and FY 2022-23, and alignment of carrying cost rates in line with the Electricity (Amendment) Rules, 2024, pursuant to directions from the Hon'ble Supreme Court and APTEL. This resulted in recognition of additional revenue amounting to ₹ 1,047 crore, contributing ₹ 783 crore to PAT for FY 2025-26.

The Company continued to focus on operational excellence, innovation and customer-centric initiatives. TPDDL secured the second rank among all Indian DISCOMs in the Distribution Utilities Ranking (DUR) Report and achieved an A+ rating in the Customer Service Rating of DISCOMs (CSR) Report for FY 2024-25. It also implemented India's first micro-substation with Power Voltage Transformer (PVT) technology in collaboration with Nissin Electric Co. Ltd., enabling efficient power supply in areas with limited grid infrastructure.

Further strengthening its network capabilities, TPDDL introduced a hotline maintenance vehicle to enable live-line maintenance without power shutdown, enhancing reliability and service continuity. The Company also signed an MoU with Magna Yuma Private Limited to develop EV battery swapping infrastructure across its licensed areas, supporting the transition towards sustainable mobility.

In recognition of its operational and digital excellence, TPDDL received the 'Energy Company Award – Power' and the 'Excellence in Digitisation Award' at the ET Energy Leadership Awards 2025, as well as a Gold Award at the

ET Kaleido Awards 2025 for its 'Lineman Diwas' initiative. Additionally, the Company made significant progress in digital transformation with the installation of over 7.59 lakh smart meters as of March 31, 2026.

TP Ajmer Distribution Limited – TPADL

Type of entity: Wholly-owned Subsidiary.

Particulars*	FY26	FY25
Sales (MUs)	651	639
Revenue from Operation (in ₹ crore)	516	507
PAT (in ₹ crore)	4	11
AT&C Loss (%)	4.3	7.8

TP Ajmer Distribution Limited (TPADL), a wholly owned subsidiary, has been operating as a power supply and distribution franchisee in Ajmer for over eight years, covering an area of approximately 201 sq. km. In FY 2025-26, the Company served around 1.73 lakh consumers and recorded a peak demand of 157.50 MW, reflecting a strong growth of 24.83% over the previous year.

Profit After Tax (PAT) declined during the year, primarily due to higher finance costs arising from payments related to Power Purchase Difference Invoices to AVVNL as compared to the previous year. Despite this, the Company continued to focus on enhancing customer-centricity, operational reliability, and efficiency.

Various initiatives undertaken during the year led to improvements in performance metrics, with billing efficiency increasing to 92.64% from 92.10% in FY 2024-25. Provisional billing was further reduced from 0.52% to 0.48%, while digital payment adoption improved significantly to 83.86% in FY 2025-26 from 81% in the previous year, reflecting continued progress in operational and customer service excellence.

TP Central Odisha Distribution Limited – TPCODL

Type of entity: Subsidiary (Tata Power: 51%, GRIDCO Ltd: 49%).

Particulars*	FY26	FY25
Sales (MUs)	10,013	9,692
Revenue from Operations (in ₹ crore)	6,313	6,106
PAT (in ₹ crore)	202	150
AT&C Loss (%) excl. past arrears	18.0	19.6

TPCODL distributes electricity across Central Odisha and continued to demonstrate steady operational improvement during FY 2025-26. AT&C losses (excluding past arrears) reduced to 18.0% from 19.6% in the previous year, while billing efficiency improved to 82.20% from 80.89%, reflecting focused loss reduction measures and enhanced billing practices. The Company served a registered consumer base of 33.78 lakh across a service area of 29,354 sq. km during the year.

Profitability improved during the year, supported by a higher reversal of Expected Credit Loss (ECL) provisions compared to the previous year, along with sustained improvements in billing efficiency and reduction in AT&C losses. Operational reliability remained a focus area, with TPCODL recording a SAIDI of 169 hours and SAIFI of 207, indicating continued efforts to strengthen network performance.

The Company received strong recognition for its performance and service quality, including an A+ rating in the 14th Integrated Rating and Ranking of Discoms and an 'A' rating in the Consumer Service Rating of Discoms (CSR) for FY 2024-25 by the Ministry of Power, and it ranked 4th among 41 non-urban utilities in the DUR report. During the year, TPCODL energised 1.41 lakh new connections with a load of 471 MW, undertook enforcement actions including booking a theft load of 145 MW and recovering ₹ 71 crore, and replaced 1.40 lakh defective meters.

TPCODL also made significant progress in digitalisation and sustainability initiatives, with the installation of 7.4 lakh smart meters and 12.85 lakh customers adopting digital payments. Under the PM Surya Ghar: Muft Bijli Yojana, the Company enabled 20,164 rooftop solar installations, including 6,532 installations under the utility-led aggregation model.

The Company's focus on quality and operational excellence was recognised through multiple awards, including the Gold Award for Improved Revenue Recovery in Rural Areas from AIDA, accolades at the ICC India Energy Summit and Innovation Awards 2025, 11 Gold Awards at ICQCC 2025, and multiple recognitions at NCQC 2025, along with an Industry Award in Cost Management Practices and Operational Excellence from ICMAl.

TP Northern Odisha Distribution Limited – TPNODL

Type of entity: Subsidiary (Tata Power: 51%, GRIDCO Ltd: 49%).

Particulars*	FY26	FY25
Sales (MUs)	6,975	6,468
Revenue from Operations (in ₹ crore)	4,769	4,313
PAT (in ₹ crore)	280	158
AT&C Loss (%) excl. past arrears	9.9	12.6

TPNODL distributes electricity across the northern part of Odisha. During FY 2025-26, it continued to deliver improved operational performance. The Company served a registered consumer base of 20.57 lakh across a service area of 27,920 sq. km. AT&C losses (excluding past arrears) declined significantly to 9.9% from 12.6% in the previous year, while billing efficiency improved to 90.00% from 87.5%, reflecting a sustained focus on loss reduction and revenue realisation.

Operational reliability metrics remained a focus area, with TPNODL reporting a SAIDI of 271.78 hours and a SAIFI of 466.23 during the year. Profit After Tax (PAT) improved, primarily driven by a reduction in AT&C losses and higher capitalisation of assets, supporting overall financial performance.

During the year, TPNODL undertook several key initiatives to enhance service delivery and operational efficiency. The Company secured an A+ rating in the 14th Integrated Ranking (ranked 9th nationally), and an 'A' rating in the Consumer Service Rating of Discoms. The Company ranked 2nd nationwide among distribution utilities by the Ministry of Power, Government of India.

The Company implemented an integrated call centre to improve customer service; undertook enforcement measures, including booking a theft load of 120.12 MW and recovery of ₹ 41.83 crore (excluding penalties); and installed 5.3 lakh smart meters under its smart metering programme. In addition, TPNODL advanced digital grid management through remote operation of 195 primary substations and integration of 88 substations under SCADA, enhancing efficiency, monitoring, and reliability of operations.

TP Southern Odisha Distribution Limited – TPSODL

Type of entity: Subsidiary (Tata Power: 51%, GRIDCO Ltd: 49%).

As desired, please find the information below:

Particulars*	FY26	FY25
Sales (MUs)	3,672	3,507
Revenue from Operations (in ₹ crore)	2,542	2,429
PAT (in ₹ crore)	165	59
AT&C Loss (%) excl. past arrears	18.8	20.8

TPSODL is responsible for electricity distribution in the southern part of Odisha and continued to demonstrate operational improvement during FY 2025-26. The Company served a registered consumer base of 22.81 lakh across a service area of 48,751 sq. km. AT&C losses (excluding past arrears) reduced to 18.8% from 20.8% in the previous year, registering a decline of 2.05%, while billing efficiency improved

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to 80.28% from 76.6%, reflecting sustained focus on loss reduction and revenue enhancement.

Profit After Tax (PAT) increased during the year, primarily driven by the absence of additional Expected Credit Loss (ECL) impact and an improvement in AT&C performance. The Company continued to strengthen network reliability and infrastructure, including the commissioning of a 33/11 kV, 2x10 MVA primary substation at Khalikote in a record time of 116 days, and the integration of 250 substations with SCADA systems for enhanced monitoring and operational efficiency.

TPSODL also progressed on sustainability and innovation initiatives, including the installation of 648 kW of rooftop solar capacity across its facilities and the filing of patents for in-house developed solutions such as a press-fit fuse (June 2025) and pole support system (December 2025). The Company maintained a strong safety record with zero fatalities for both its own and business associate employees during the year.

Operational initiatives included the installation of 6.1 lakh smart meters as of March 31, 2026, booking of 102 MW theft load through enforcement activities, and the addition of 240 MW of new load. The Company also undertook capitalisation of ₹ 711 crore during the year, covering OERC-approved capex, metering investments, GRIDCO contributions, and deposit works.

TPSODL's performance was recognised with an 'A' rating in the Consumer Service Rating of Discoms and a rank of 29th among 66 DISCOMs in the DUR by the Ministry of Power, Government of India. The Company also received the Rural Power Distribution Performance Beacon Award at the Times Business Awards 2026, highlighting its continued focus on operational excellence and rural electrification.

TP Western Odisha Distribution Limited – TPWODL

Type of entity: Subsidiary (Tata Power: 51%, GRIDCO Ltd: 49%).

Particulars*	FY26	FY25
Sales (MUs)	9,503	9,912
Revenue from Operations (₹ crore)	6,355	6,816
PAT (₹ crore)	162	73
AT&C Loss (%) excl. past arrears	15.3	17.1

TPWODL is responsible for electricity distribution in the western part of Odisha, and it demonstrated operational and financial improvement during FY 2025-26. The Company served a registered consumer base of 22.38 lakh across a service area of 48,373 sq. km spanning nine revenue districts. AT&C losses (excluding past arrears) reduced to 15.3% from 17.1% in the previous year, reflecting a sustained focus on loss

reduction and improved operational efficiency, while billing efficiency improved to 85.11% from 83.77%.

Profit After Tax (PAT) increased significantly to ₹ 162 crore, as compared to ₹ 73 crore in FY 2024-25, driven by improved operational performance and enhanced revenue realisation. Reliability indices for the year reflected a SAIDI of 301.52 hours and a SAIFI of 375.25. The Company continued to strengthen system reliability and infrastructure through the commissioning of 15 numbers of 33/11 kV Primary Sub-Stations (PSS), operationalisation of APSCC across 10 divisions, and implementation of the Advanced Distribution Management System (ADMS).

TPWODL made significant progress in metering and enforcement initiatives, with the installation of 8.13 lakh smart meters as of March 31, 2026. OCR-based meter reading reached an all-time high of 97.6%. Enforcement activities resulted in the booking of 137 MW of load and the recovery of ₹ 48.92 crore. Additionally, NABL-accredited meter testing laboratories tested 4.01 lakh meters, including consumer complaint and consumer-owned meters, along with 60,100 CT/PT units.

The Company continued to focus on strengthening its digital ecosystem and customer engagement. Platforms such as a WhatsApp bot, mobile app, IVR, and missed call services led to over 190% growth in monthly self-service usage, increasing from over 17,000 in FY25 to 50,000 in FY26. More than 17 lakh consumers completed KYC, enabling timely outage communication, while digital platforms, including WhatsApp and the Roshni chatbot, facilitated seamless access to services and complaint registration. Social media engagement remained strong, with around 1,200 concerns addressed per month and 188 proactive outage updates shared.

Capability building and safety remained key priorities, with the establishment of five Hands-On Technical Training (HOTT) centres and 17 practice yards across divisions to enhance technical competency and safety standards.

TPWODL's performance was recognised through multiple accolades, including an 'A' rating in the 14th Integrated Rating of Power Distribution Utilities and improvement to an 'A' rating (from B+) with a rank of 20th (from 39th) in the Consumer Service Rating of Discoms (CSR). The Company also received the Silver Award at the AIDA Annual Awards 2025 for the best use of smart meter data beyond billing.

Further, the Company continued its journey of embedding Total Quality Management (TQM) practices across operations and was recognised across various industry platforms, including 7 Gold Awards at ICQCC 2025, 10 Par Excellence Awards at NCQCC 2025, and securing the first position at the 38th CII Odisha State Level QC Competition, along with multiple recognitions at inter-industry and national-level forums.

Tata Power Trading Company Limited - TPTCL

Type of entity: Wholly-owned subsidiary.

Particulars	FY26	FY25
Traded (MUs)	16,418	20,703
Revenue from Operations (in ₹ crore)	333	449
PAT (in ₹ crore)	62	88

TPTCL is the electricity trading arm of the Company. PAT achieved in FY 2025-26 is lower due to several factors, including continued transmission constraints in the state of Rajasthan, leading to reduced evacuation from some of the renewable generation sites and intense competition among power traders for short-term supply to utilities, thus putting downward pressure on the trading margin per unit.

TP Power Plus Limited – TPPPL

Type of entity: Wholly-owned subsidiary.

Particulars	FY26	FY25
Smart Meters Installed & Commissioned (for the year)	7,49,757	6,14,303
PAT (₹ crore)	16	(4)

The Chhattisgarh State Power Distribution Co. Ltd. (CSPDCL) initiated a tender under the Government of India's RDSS Scheme for the appointment of an Advanced Metering Infrastructure (AMI) service provider for smart prepaid metering. Tata Power emerged as the successful bidder for Package 2, covering Raipur city and adjoining rural areas. Subsequently, TP Power Plus Limited (TPPPL) was incorporated as a Special Purpose Vehicle on August 2, 2023, to undertake the installation and maintenance of smart meters in the designated areas.

During the year, TPPPL strengthened its position in India's smart metering segment, supported by strong execution capabilities and technology-driven operations. The Company received notable recognitions, including the First Prize as an AMISP at the National AI/ML Conference organised by the Government of India and a Gold Award at the 10th edition of the ISGF Innovation Awards, highlighting its leadership in analytics-led delivery and innovation.

Operationally, TPPPL achieved the highest monthly smart meter installation rate in the country at 54,000 meters, driven by disciplined project management and efficient processes. The Company maintained industry-leading operational efficiency, with performance levels significantly higher than those of other AMISPs. Communication success rates remained above 98%, resulting in consistently low SLA penalties of less than 1% per month, reflecting strong reliability, compliance standards, and execution excellence compared to sector benchmarks.

TP Renewable Microgrid Limited (TPRMG)

Type of entity: Wholly-owned subsidiary.

Particulars	FY26	FY25
Revenue from Operations (in ₹ crore)	14	13
EBITDA (in ₹ crore)	0.3	(6)
PAT (in ₹ crore)	(10)	(20)

The Company achieved a significant financial milestone in FY 2025-26, reporting positive EBITDA for the full year. This turnaround reflects improved operational efficiencies, disciplined cost management and gradual scaling of the business model, marking a strong step towards sustainable profitability.

In parallel, the Company continued its focus on addressing economic and energy poverty by providing access to a clean, affordable, reliable, and quality power supply to underserved rural communities. Through its renewable microgrid initiatives, the Company enhanced rural electrification across key regions.

During the year, the Company successfully solarised 200 villages across Uttar Pradesh and Bihar, covering districts such as Bahraich, Gonda, Balrampur, Shravasti, Siddharthnagar, Sitapur, Sant Kabir Nagar, Lakhimpur, Muzaffarpur, Vaishali, and Samastipur. These initiatives have enabled the Company to serve approximately 24,000 rural consumers, improving quality of life and supporting local economic development through access to sustainable energy solutions.

International Business

Dagachhu Hydro Power Corporation Limited – DHPC (126 MW)

Type of entity: Associate (Tata Power 26%, DGPC and Affiliates: 74%).

Particulars	FY26	FY25
Sales (Mus)	311	428
Revenue from Operations (₹ crore)	126	164
PAT (₹ crore)	(9)	28

Figures are presented on a 100% basis, with the Company holding a 26% share. Dagachhu Hydro Power Corporation (DHPC) operates a 126 MW hydropower plant in Bhutan under a public-private partnership model, supplying power domestically within the region, with a portion of the generation exported to India. Profit After Tax was impacted during the year due to floods in the region

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Adjaristsqali Netherlands B.V. (ABV), a joint venture between TPIPL (50%) and Clean Energy Invest (50%), through its wholly owned subsidiary Adjaristsqali Georgia LLC (AGL), has developed the 187 MW Shuakhevi and Skhalta hydropower projects on the Adjaristsqali River and its tributaries in Georgia. This joint venture represents one of the largest infrastructure investments in the country. The investment in ABV is currently classified as 'assets held for sale'.

Itezhi Tezhi Power Corporation Limited (ITPC), a 50:50 joint venture between Tata Power and ZESCO Limited, operates a 120 MW hydropower project on the Kafue River in Zambia. During the year, ITPC declared a dividend, resulting in the recognition of ₹ 404 crore as Other Income for the Group. The investment in ITPC is also classified as 'assets held for sale'.

4. Digital Initiatives

Scaling intelligence and delivering business impact

Aligned with its vision of 'Innovating today to empower tomorrow', Tata Power continues to scale intelligent AI, advanced analytics, and agentic frameworks across its businesses, leveraging a strong digital backbone built on cloud, data platforms, and integrated systems. This transformation is enabling real-time, insight-led decision-making, enhancing operational efficiency, optimising costs, and strengthening customer-centric delivery across the energy value chain. The Company's evolution from digital enablement to intelligence-driven operations is creating measurable business outcomes while improving agility and scalability across segments.

This transformation is supported by a strong ecosystem comprising an in-house Centre of Excellence, global technology partnerships, and collaborations with startups. Strategic alliances with platforms such as Salesforce, Microsoft, AWS, and Databricks are enabling rapid deployment of innovation, faster go-to-market, and continuous enhancement of operational and commercial capabilities.

1. Renewables business (Solar, Wind & Rooftop)

Technology continues to be a key differentiator in Tata Power's renewable energy portfolio. The Residential Solar Rooftop business witnessed strong growth, supported by scalable digital platforms that enable seamless customer onboarding, partner ecosystem management, and lifecycle execution from lead generation to commissioning. Integration with enterprise platforms such as SAP and Salesforce ensures real-time visibility, operational agility, and faster turnaround.

AI/ML-driven quality assurance initiatives have significantly improved installation efficiency through image-based validation, enabling 'Right First Time' execution and reducing inspection timelines. Customer engagement has been strengthened through digital journeys, WhatsApp-based services, and AI-driven interactions, leading to improved conversion rates, customer satisfaction, and Net Promoter Scores.

In utility-scale renewable operations, advanced solar and wind analytics frameworks enable standardised performance monitoring, generation loss analysis, and predictive maintenance. These capabilities improve CUF, enhance asset utilisation, and ensure consistent performance across the portfolio, driving revenue assurance and operational excellence.

2. Manufacturing (Solar Modules & Cells)

In the manufacturing segment, Tata Power has leveraged advanced analytics to drive production efficiency, cost optimisation, and better financial visibility. Data-led monitoring of product portfolio performance, cost structures, and sales outcomes has enabled better decision-making and margin optimisation.

The Company has implemented robust subsidy tracking frameworks to ensure timely realisation and improved financial discipline. Going forward, AI/ML-led interventions are being deployed to enhance yield, optimise production processes, enable predictive maintenance, and strengthen end-to-end supply chain efficiency, supporting scalable and cost-effective manufacturing operations.

3. Transmission & distribution (T&D)

Digital transformation across the transmission and distribution businesses has resulted in measurable improvements in operational and financial performance. In distribution, advanced analytics and AI-driven tools are enabling effective AT&C loss reduction through theft detection, consumption analytics, and improved meter data insights.

Smart metering programmes, unified billing platforms, and integrated collection systems are enhancing efficiency, improving collections, and delivering better customer service. Customer engagement has been strengthened through unified digital platforms, such as 'My Tata Power Plus', offering self-service capabilities, bill management, and consumption insights.

On the grid operations side, the integration of Advanced Distribution Management Systems (ADMS) and Distributed Energy Resource Management Systems (DERMS) is enabling real-time monitoring, improved grid stability, and efficient integration of renewable energy. Advanced Power Planner solutions are optimising energy mix decisions, integrating renewables, storage, and market intelligence to ensure cost-efficient and reliable supply.

4. Generation business (Thermal & Hydro)

In conventional generation, Tata Power is deploying advanced AI and digital twin technologies to enhance plant performance and operational efficiency. Solutions such as boiler digital twins, predictive maintenance models, and real-time optimisation tools are enabling improved heat rates, reduced downtime, and optimised fuel consumption.

AI-based boiler tube monitoring, construction digital twins, and merit order optimisation tools are helping enhance reliability, reduce operational risks, and ensure cost-effective generation in dynamic market conditions. Digital coal supply chain management systems are further strengthening fuel efficiency through real-time monitoring of quality and logistics.

5. Electric vehicle (EV) business – EZ Charge

Tata Power's EV charging platform, EZ Charge, continues to scale rapidly with a focus on customer convenience and digital innovation. The platform supports advanced features such as in-car, app-less charging, trip planning, and seamless booking and payment experiences.

With over 5.62 lakh registered users, 30.22 lakh charging sessions, and 259.64 million units delivered in FY 2025-26, the platform demonstrates strong growth and scalability. Advanced analytics capabilities enable real-time monitoring of charger utilisation, user behaviour, and network performance, supporting strategic expansion and improved customer experience.

6. New energy solutions & energy transition

Tata Power is building capabilities in emerging energy solutions to support the transition to a cleaner energy ecosystem. The Company is developing digital platforms for Battery Energy Storage Systems (BESS), enabling real-time monitoring, optimised dispatch, and enhanced grid reliability.

Innovations, such as peer-to-peer (P2P) energy trading platforms, allow prosumers to directly trade

excess renewable energy, supported by AI-driven forecasting and pricing insights. Additionally, EnerUni, an AI-powered Energy-as-a-Service platform, enables real-time energy optimisation, demand-supply matching, and performance-based energy management for commercial and industrial consumers.

The Company is also contributing to the development of open digital ecosystems such as Beckn-enabled Unified Bharat eCharge (UBeC), promoting interoperability and scalability in EV infrastructure.

7. Customer experience & digital engagement

Customer-centricity remains a key focus area, with continuous investments in digital platforms to enhance engagement and service delivery. Unified portals, AI-driven insights, and self-service capabilities enable customers to manage consumption, payments, and service requests seamlessly.

Advanced AI/ML tools provide actionable insights such as bill projections, usage alerts, and appliance-level consumption analysis, improving transparency and customer satisfaction. Voice AI and automated engagement tools further enhance outreach and service efficiency.

8. Cybersecurity & data privacy

Tata Power has implemented a comprehensive cybersecurity framework across IT and OT environments to ensure secure and resilient operations. A multi-layered 'defence-in-depth' architecture, strict IT-OT segregation, and continuous monitoring through a 24x7 Security Operations Centre strengthen cyber resilience.

Proactive threat detection, incident response frameworks, and regular cyber drills ensure operational continuity, while robust data privacy practices safeguard customer information and reinforce trust.

9. Innovation & strategic partnerships

The Company has institutionalised innovation through a structured, enterprise-wide approach led by its Centre of Excellence and supported by strategic partnerships. Collaboration with startups and technology providers enables rapid experimentation in areas such as AI/ML, blockchain, robotics, and digital twins.

This innovation ecosystem ensures alignment with business priorities, accelerates deployment of high-impact solutions, and drives enterprise-wide adoption. The focus remains on delivering measurable outcomes in terms of efficiency, growth, and competitive advantage.

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Conclusion

Tata Power's business-aligned digital transformation strategy is driving operational excellence, enhancing customer experience, and enabling scalable growth across all business segments. By embedding intelligence across the value chain, investing in innovation, and strengthening digital capabilities, the Company is well-positioned to lead the transition towards a sustainable, resilient, and technology-driven energy future.

5. Financial Performance – Standalone

The Company recorded a PAT of ₹1,125 crore in FY 2025-26 as against ₹3,133 crore in FY 2024-25. The diluted earnings per share were at ₹3.51 for FY 2025-26 as against ₹9.79 in FY 2024-25.

The analysis of major items of the Standalone Financial Statements is shown below.

Revenue

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Revenue from Operations	13,226	22,359	(9,133)	(41%)
Regulatory Deferral Balances, including Deferred Tax Recoverable/(Payable)	(257)	(1,071)	814	(76%)
Total	12,969	21,288	(8,319)	(39%)

The decrease is mainly due to the shutdown of the Mundra Thermal Plant for nine months during the year and the regulatory upside in the previous year.

Other Income

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Interest Income	179	182	(3)	(2%)
Dividend Income	1,460	2,029	(569)	(28%)
Gain/(Loss) on Investments	28	48	(20)	(42%)
Other Non-operating Income	175	230	(55)	(24%)
Total	1,842	2,489	(647)	(26%)

In the previous year, there was higher dividend income from subsidiaries and joint ventures, and an insurance claim was received due to a fire at Unit 5 of the Trombay plant.

Cost of Power Purchased and Cost of Fuel

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Cost of Power Purchased	1,389	1,562	(173)	(11%)
Cost of Fuel	5,703	12,248	(6,545)	(53%)

The cost of power purchased has decreased due to lower MUs purchased, offset by a higher power purchase price.

The cost of fuel has decreased mainly due to lower coal requirements due to the shutdown of the Mundra power plant for nine months during the year.

Transmission Charges

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Transmission Charges	580	441	139	32%

Transmission charges are higher in Mumbai-regulated business on account of the Multi-year Tariff (MYT) order issued by MERC.

Employee Benefit Expenses

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Employee Benefit Expenses	837	790	47	6%

The increase is mainly due to the impact of the new labour code, which become effective from November 22, 2025, and payroll increments taken place during the year.

Finance Costs

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Finance Costs	1,976	2,095	(119)	(6%)

The decrease is mainly attributable to the lower supplier's credit facility availed during the year due to the shutdown of the Mundra power plant.

Depreciation and Amortisation

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Depreciation and Amortisation	1,214	1,194	20	2%

No major variance during the year.

Operations and Other Expenses

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Repairs and maintenance	590	588	2	0%
Others	1,216	1,095	121	11%
Total	1,806	1,683	123	7%

Other expenses are higher, mainly due to higher forex losses due to adverse movement of foreign currency rates, which is partly offset by lower consumable expenses and lower brand equity on account of lower revenue.

Tax Expenses / (Credit)

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Current Tax in Respect of Earlier Year	Nil	Nil	Nil	Nil
Deferred Tax	54	483	(429)	(89%)
Deferred Tax Relating to Earlier Year	Nil	Nil	Nil	Nil
Total	54	483	(429)	(89%)

Lower deferred tax expense on account of a deferred tax asset created on previously unrecognised business losses, based on reasonable certainty of generating taxable profits in the near future and a lower taxable profit as compared to the previous year, resulting in a lower deferred tax charge.

Property, Plant and Equipment, Capital Work-in-Progress and Other Intangible Assets

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Property, Plant and Equipment	21,499	20,545	954	5%
Right of Use Assets	2,700	2,779	(79)	(3%)
Intangible Assets	48	38	10	26%
Capital Work-in-Progress	2,458	2,249	209	9%
Total	26,705	25,611	1,094	4%

The increase is due to higher capex spent on Mumbai Transmission, Bhivpuri Pumped Storage Projects & FGD projects in thermal plants, which was offset by depreciation and amortisation in FY 2025-26

Non-Current Investments

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Investment in Subsidiary, JV and Associate	13,316	11,938	1,378	12%
Statutory Investments	239	221	18	8%
Others	1,424	1,896	(472)	(25%)
Total	14,979	14,055	924	7%

Non-current investments increased mainly due to additional infusion in TBCB projects, additional investments in Odisha Discoms, acquisition of TP Jejuri Hinjewadi Power Transmission Ltd and investment made in Bhutan Hydro projects, which was partly offset by a decrease in fair valuation of quoted investments.

Current Investments

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Mutual Funds (Unquoted)	Nil	200	(200)	(100%)

Current investments are lower mainly due to the realisation of mutual funds.

Trade Receivables

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Non-current	1,409	941	468	50%
Current	995	1,514	(519)	(34%)
Total	2,404	2,455	(51)	(2%)

The decrease is due to better collection in the Mumbai-regulated business of generation, transmission & distribution, which is partly offset by higher receivables in the Mundra plant.

Loans

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Non-current	240	198	42	21%
Current	46	90	(44)	(49%)
Total	286	288	(2)	(1%)

No major variance during the year.

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Finance Lease Receivable

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Non-current	751	405	346	85%
Current	79	68	11	16%
Total	830	473	357	75%

Increased due to the capitalisation of the Flue Gas Desulphurisation plant in Jojobera towards the end of the year.

Other Financial Assets

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Non-current	195	80	115	144%
Current	465	146	319	219%
Total	660	226	434	192%

Non-current financial assets have increased due to the security deposit in the distribution business, current assets have increased due to the ITPC dividend receivable, foreign exchange gain on the derivative contract and higher bank deposits.

Other Assets

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Non-current	3,730	3,065	665	22%
Current	152	237	(85)	(36%)
Total	3,882	3,302	580	18%

An increase in Non-current assets is mainly due to higher receivables from consumers in the Mumbai-regulated business of generation & transmission, and increased capital advances. A decrease in Other Current Assets is mainly due to lower vendor advances in the generation business.

Assets Classified as Held for Sale

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Land	216	216	Nil	Nil
Investments	276	276	Nil	Nil
Loan and other receivables (including interest accrued)	4	4	Nil	Nil
Total	496	496	Nil	Nil

No variance during the year.

Liability Classified as Held for Sale

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Other Liabilities	114	114	Nil	Nil

No variance during the year.

Regulatory Deferral Account – Asset

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Regulatory Deferral – Asset	610	1,174	(564)	(48%)

Regulatory Deferral Assets (Net) pertain to liquidation in regulatory receivables in the Mumbai distribution business.

Total Equity

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Equity Share Capital	320	320	Nil	0%
Other Equity	18,097	18,046	51	0%
Total Equity	18,417	18,366	51	0%

Total equity of the Company has increased mainly due to the profit earned during the year, net of dividends paid.

Borrowings

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Non-current	17,790	12,613	5,177	41%
Current	5,222	4,359	863	20%
Total	23,012	16,972	6,040	36%

The increase in borrowing is mainly due to funding for capex in the T&D business, the FGD plant in the generation business and higher working capital requirements.

Lease Liability

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Non-current	2,787	2,731	56	2%
Current	323	363	(40)	(11%)
Total	3,110	3,094	16	1%

No major variance during the year.

Trade Payables

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Current	3,257	5,347	(2,090)	(39%)

Trade payables decreased mainly on account of payments made and lower purchases of coal due to the shutdown of the Mundra Plant.

Other Financial Liabilities

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Non-current	41	50	(9)	(18%)
Current	2,767	2,043	724	35%
Total	2,808	2,093	715	34%

There is no major movement in Other Non-current financial liabilities during the year.

Other Current Financial Liabilities have increased mainly due to capital creditors related to capex incurred in the Thermal & T&D business, and the amount payable to consumers as per PPA, security deposits received from the distribution business customers, offset by payment of factoring liability.

Acceptance

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Current	768	2,771	(2,003)	(72%)

Decreased mainly on account of payments made and lower purchase of coal for the Mundra Plant.

Other Liabilities

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Non-current	291	1,083	(792)	(73%)
Current	973	703	270	38%
Total	1,264	1,786	(522)	(29%)

The decrease in non-current liabilities is due to the Mundra plant shutdown, which led to the amortisation of deferred revenue.

The increase in current liabilities is due to higher customer advances received in the T&D business.

Provisions

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Non-current	295	269	26	10%
Current	146	30	116	387%
Total	441	299	142	48%

Non-Current Provision has increased mainly due to the increased employee benefits provision owing to a change in the definition of wage to be considered in retirement benefits, as per the New Labour code. Current Provision has increased towards the shipping contract.

Tax Assets/(Liabilities)

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Non-Current Tax Assets	356	294	62	21%
Deferred Tax Liabilities	(1,647)	(1,660)	13	(1%)
Current Tax Liabilities	(129)	(144)	15	(10%)
Total	(1,420)	(1,510)	90	(6%)

Total tax liabilities (net) have decreased mainly due to deferred tax assets created on previously unrecognised business losses, based on reasonable certainty of generating taxable profits in the near future and tax paid during the year, which is partly offset by deferred tax liability on the addition to property, plant & equipment.

6. Financial Performance – Consolidated

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Revenue from Operations*	63,681	64,502	(821)	(1%)
Depreciation and Amortisation	4,811	4,117	694	17%
Finance Costs	5,257	4,702	555	12%
Exceptional Items	(94)	(422)	328	(78%)
Profit Before Taxes	6,636	6,320	316	5%
Profit for the year	5,118	4,775	343	7%

*Includes Regulatory Income/(Expenses)

Management Discussion and Analysis

Revenue from operations was supported by robust performance across all segments. The Renewables business showed a significant increase owing to capacity addition in Genco, full-year operation of the solar modules & cells plant at Tirunelveli, and the rooftop segment showed more than 100% growth.

Within the T&D business, the major contribution was by the Construction revenue from new transmission projects, the regulatory upside in TPDDL, and higher sales across DISCOMs. Higher revenue in the Generation business was from capitalisation of the Flue Gas Desulphurisation plant. All the above substantially cushioned the revenue impact arising from the shutdown of the Mundra Thermal Plant, leading to only a slight moderation in total revenues.

Depreciation increased primarily due to the capitalisation related to growth assets.

Finance costs (net of capitalisation) have increased during the year due to higher borrowings taken for growth capex and working capital requirements.

Exceptional item related to Non-cash impairment charge of ₹ 94 crore towards investment in Adjaristsqali Netherlands B.V. (ABV), is held through its wholly owned subsidiary, Tata Power International Limited (TPIPL)

Property, Plant and Equipment, Investment Property and Intangible Assets

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Property, plant and equipment	78,871	70,261	8,610	12%
Right to use assets	5,525	5,090	435	9%
Intangible Assets	1,245	1,372	(127)	(9%)
Capital Work-in-Progress	14,595	12,679	1,916	15%
Total	1,00,236	89,402	10,834	12%

Increased mainly due to higher capital expenditure in the renewables business and across DISCOM operations in Delhi, Mumbai, and Odisha.

Goodwill

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Goodwill	1,651	1,651	Nil	0%

The Management performed an impairment assessment during the year, based on which no impairment was recognised.

Non-Current Investments

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Investments in Joint Ventures and Associates	13,549	12,894	655	5%
Statutory Investments	239	221	18	8%
Others	1,430	1,899	(469)	(25%)
Total	15,218	15,014	204	1%

Increase in investments was mainly driven by the share of profits from coal companies and investments in hydro projects in Bhutan, which was partly offset by losses in Tata Projects and fair valuation losses on quoted investments.

Current Investments

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Investments in Mutual Funds	1,356	1,302	54	4%

The increase is mainly due to higher investments in mutual funds across group companies.

Trade Receivables

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Non-current	1,599	1,223	376	31%
Current	4,424	5,710	(1,286)	(23%)
Total	6,023	6,933	(910)	(13%)

The decrease is mainly due to improved receivable collections in the renewables and T&D businesses.

Unbilled Revenue

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Current	2,843	2,737	106	4%

There was no significant movement in unbilled revenue during the year.

Loans

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Non-current	37	2	35	1,750%
Current	20	12	8	67%
Total	57	14	43	307%

The increase is due to advances given to employees at Odisha Discoms during the year.

Finance Lease Receivable

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Non-current	838	527	311	59%
Current	87	74	13	18%
Total	925	601	324	54%

The increase is due to the capitalisation of the Flue Gas Desulphurisation plant in Jojobera towards the end of the year.

Other Financial Assets

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Non-current	3,523	2,169	1,354	62%
Current	1,317	656	661	101%
Total	4,840	2,825	2,015	71%

The increase is mainly due to foreign exchange gains on derivative contracts, higher bank deposits, expenditure incurred towards new TBCB projects, and dividend receivable from ITPC.

Other Assets

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Non-current	10,636	8,394	2,242	27%
Current	1,774	1,941	(167)	(9%)
Total	12,410	10,335	2,075	20%

The increase in Non-current assets is mainly due to higher receivables from consumers in the Mumbai-regulated business of generation and transmission, increased capital advances, and higher contract assets related to transmission bid out projects, partly offset by a reduction in capital advances receivable in the renewables business.

The decrease in Current assets is mainly due to lower vendor advances in the generation and renewables segment.

Assets/(Liability) Classified as Held for Sale

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Assets Classified as Held for Sale	1,154	1,145	9	1%
(Less): Liability Classified as Held for Sale	(114)	(114)	(0)	0%
Total (Net)	1,040	1,031	9	1%

Increase is due to forex gain on value of investment held in ITPC, which is partly offset by Non-cash impairment charge of ₹ 95 crore towards investment in Adjaristsqali Netherlands B.V. (ABV), held through its wholly-owned subsidiary Tata Power International Limited (TPIPL).

Regulatory Deferral Account – Asset/ (Liability)

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Regulatory Deferral – Asset	8,139	7,164	975	14%
Less: Regulatory Deferral – Liability	(9)	(139)	130	(94%)
Total Regulatory Deferral – Asset (Net)	8,130	7,025	1,105	16%

The increase is mainly due to regulatory upside in TPDDL and regulatory receivables in Odisha Discoms. This has decreased mainly due to liquidation in the Mumbai Distribution Business.

Management Discussion and Analysis

Total Equity

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Equity Share Capital	320	320	Nil	Nil
Other Equity	39,148	35,521	3,627	10%
Total	39,468	35,841	3,627	10%

Total equity of the Company has increased mainly due to the profit earned (net of dividend paid) during the year.

Borrowings

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Non-current	61,609	44,130	17,479	40%
Current	9,514	14,016	(4,502)	(32%)
Total	71,123	58,146	12,977	22%

The increase in borrowing is mainly due to funding for growth projects in renewables and the T&D business, and higher working capital requirements

Lease Liability

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Non-current	4,550	4,196	354	8%
Current	469	524	(55)	(11%)
Total	5,019	4,720	299	6%

The increase is mainly due to a new lease agreement entered into the renewable business for land to be used for the setting up of an RE plant.

Acceptances

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Current	3,648	5,130	(1,482)	(29%)

Lower purchases of coal have led to a decrease in Acceptances for Coal purchases, which is offset by an increase in a facility taken for the Renewables business.

Trade Payables

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Current	7,138	8,855	(1,717)	(19%)

Trade payable decreased mainly on account of payments made and lower purchase of coal for the Mundra Plant.

Other Financial Liabilities

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Non-current	695	674	21	3%
Current	13,898	12,427	1,471	12%
Total	14,593	13,101	1,492	11%

There is no major movement in Other Non-current financial liabilities during the year.

Other Current Financial Liabilities have increased mainly due to capital creditors related to capex incurred in Renewables, T&D and Thermal business and amount payable to consumers as per PPA, security deposits received from distribution customers, offset by payment of factoring liability.

Other Liabilities

(in ₹ crore)				
Particulars	FY26	FY25	Change	% Change
Non-current	13,412	12,931	481	4%
Current	3,691	3,672	19	1%
Total	17,103	16,603	500	3%

Other non-current liabilities have increased due to higher deferred revenue on account of service line contribution in Odisha Discoms, which is partly offset by a decrease in deferred revenue liability due to the shutdown of the Mundra plant, which led to the amortisation of deferred revenue.

There has been no major movement in Other Current Liabilities during the year.

Provisions

Particulars	(in ₹ crore)			
	FY26	FY25	Change	% Change
Non-current	3,214	2,549	665	26%
Current	680	438	242	55%
Total	3,894	2,987	907	30%

Non-Current Provision has increased mainly due to the increased employee benefits provision owing to a change in the definition of wage to be considered in retirement benefits as per the New Labour Code & revision in gratuity limit for Odisha DISCOMs employees.

Current Provision has increased towards the shipping contract. Further increase of provision towards onerous contracts & warranty charges in Renewable Business

Tax Assets/ (Liabilities)

Particulars	(in ₹ crore)			
	FY26	FY25	Change	% Change
Non-current Tax Assets	961	746	215	29%
Deferred Tax Assets	608	518	90	17%
Current Tax Liabilities	(185)	(208)	23	(11%)
Deferred Tax Liabilities	(4,808)	(4,104)	(704)	17%
Total (Net)	(3,424)	(3,048)	(376)	12%

Deferred tax liabilities have increased mainly due to additions to Property, Plant & Equipment across businesses, which is partly offset by tax paid during the year & deferred tax assets created on previously unrecognised business losses, based on reasonable certainty of generating taxable profits in the near future.

