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A FINANCIAL PERFORMANCE ANALYSIS OF TATA POWER (2019–2024): AN EMPIRICAL STUDY ON EPS, DPS, AND MPS

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ABSTRACT
This paper presents a comprehensive analysis of Tata Power's financial performance from 2019 to 2024, focusing on Earnings Per Share (EPS), Dividend Per Share (DPS), and Market Price per Share (MPS). Through a detailed review of financial indicators, the study assesses the company's growth, stability, and investor response during a period marked by renewable energy expansion and market fluctuations.
KEYWORDS:*EPS, DPS, MPS, Tata Power, Market, Economic, Development, Financial, etc.*

INTRODUCTION

The power sector plays a pivotal role in the socio-economic development of any nation. In India, it forms the backbone of industrial progress, urbanization, and digital expansion. With a total installed capacity of over 442 GW as of March 2024, India's energy landscape is characterized by a growing mix of fossil and renewable sources. The government's push toward decarbonization, digitalization of infrastructure, and self-reliance in energy manufacturing has accelerated the transition toward sustainable power generation.

Amid this dynamic environment, the financial stability and strategic foresight of energy corporations are crucial. Tata Power, as one of India's oldest and largest integrated power companies, offers a representative case for evaluating how legacy companies are adapting to renewable imperatives and changing investor expectations. By analyzing key financial metrics such as Earnings Per Share (EPS), Dividend Per Share (DPS), and Market Price per Share (MPS), this study sheds light on how the company is balancing operational challenges with long-term value creation.

This paper aims to contribute to the broader discourse on energy finance and corporate sustainability by focusing on a longitudinal analysis (2019–2024) of Tata Power's market behavior and capital efficiency.

LITERATURE REVIEW

A review of the relevant academic literature reveals a growing interest in the financial performance of power sector companies, particularly in relation to key metrics such as Earnings Per Share (EPS), Dividend Per Share (DPS), and Market Price per Share (MPS). This section summarizes five recent and pertinent studies that provide a foundation for understanding Tata Power's financial trajectory.

(Rahul Singh ,Akash Verma ,Diwakar Tiwari , 2023)This study provides an in-depth financial analysis of Tata Power by examining various profitability ratios and liquidity metrics. It concludes that Tata Power has maintained robust short-term liquidity and efficient asset management, despite fluctuations in earnings. The study recommends continued investment in sustainable energy projects to Strengthen long-term performance.

(Dr. Mrinal Gaurav ,Diwakar Kumar, 2024)This comparative study evaluates the financial health of Tata Power and Adani Power from 2019 to 2024, using parameters such as profitability, liquidity, and solvency ratios. It finds that Tata Power outperforms Adani Power in terms of stable growth and risk-adjusted returns, suggesting higher investor confidence in Tata's diversified energy portfolio.

(Shreeshail daspalle, Vidyashree c, 2024)This paper examines Tata Power's financial statements over a five-year period to evaluate trends in liabilities, asset growth, and capital allocation. The findings underscore the company's adaptive approach to changing energy policies and market environments, with a focus on renewable investments.

(Krishna, 2024)Focusing on capital structure theory, this study identifies key variables that influence financing decisions at Tata Power. Profitability, firm size, and growth opportunities are shown to significantly impact leverage levels. The paper also discusses the implications of government regulations and renewable energy mandates.

(Shah, 2025)This research applies the DuPont framework to assess Return on Equity (ROE) and Return on Investment (ROI) for Tata Power. The study highlights that operational efficiency and asset turnover ratios significantly influence profitability. Tata Power was noted for its prudent financial management and reinvestment strategy.

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OBJECTIVE

- To analyze the trend of Earnings Per Share (EPS) of Tata Power from 2019 to 2024.
- To evaluate the consistency and sustainability of Dividend Per Share (DPS) over the study period.
- To examine the fluctuations in Market Price per Share (MPS) and interpret investor sentiment.



COMPANY PROFILE: TATA POWER

Tata Power Company Limited, a flagship of the Tata Group, was established in 1910 and has grown into India's largest integrated power company. It operates across the entire power value chain—generation, transmission, distribution, and trading. With a total installed generation capacity of approximately 14,707 MW, Tata Power serves millions of customers across India and has a presence in several international markets including Indonesia, South Africa, and Bhutan.

Key Business Segments

- **Generation**: Comprising thermal (coal, gas, and oil), hydro, solar, and wind energy. The renewable portfolio exceeds 5,800 MW.
- **Distribution**: Power distribution networks in Delhi, Mumbai, and Ajmer with smart metering, consumer-centric billing, and load forecasting.
- **Transmission & Infrastructure**: State-of-the-art grid solutions, high-voltage substations, and rural electrification projects.
- **Emerging Verticals**
  - Electric vehicle (EV) charging stations
  - Solar rooftop solutions and microgrids
  - Battery storage and energy trading platforms

Strategic Initiatives

- $5.63 billion investment in Andhra Pradesh for 7 GW renewable energy capacity
- Launch of a 4.3 GW solar manufacturing facility in Tamil Nadu
- Strategic partnership with Indian Oil Corporation to scale up EV infrastructure
- Deployment of smart grid technologies under TPDDL in Delhi

Tata Power's strong ESG (Environmental, Social, Governance) commitment is reflected in its sustainability reports and CSR activities, ranging from water conservation to women's empowerment.

METHODOLOGY

The present study employs a **quantitative analytical framework** to evaluate Tata Power's financial performance over a five-year period from fiscal year 2019 to 2024. A longitudinal study design enables the identification of performance trends and anomalies over time.

Data Collection

- **Sources**: Secondary data is sourced from audited annual reports of Tata Power, Bombay Stock Exchange (BSE) disclosures, and data repositories like Capitaline.
- **Parameters Analyzed**
  - **EPS (Earnings Per Share)**: Net income divided by outstanding shares
  - **DPS (Dividend Per Share)**: Dividends declared divided by number of shares
  - **MPS (Market Price per Share)**: Year-end share price as per NSE/BSE data

Analytical Techniques

- **Descriptive Statistics**: Used to summarize the data across years.
- **Time-Series Graphing**: To visually depict trends in EPS, DPS, and MPS.

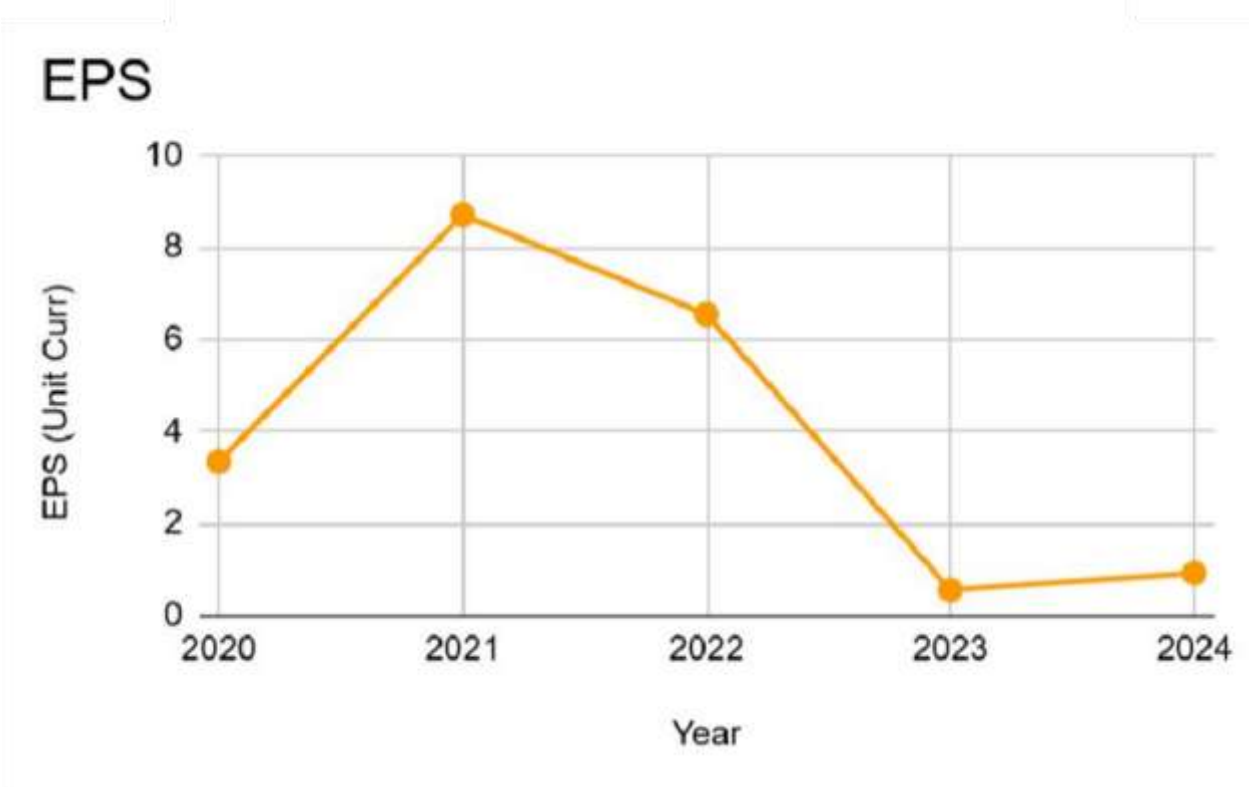
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- **Ratio Analysis**: Financial ratios are used to assess profitability, liquidity, and shareholder returns.
- **Comparative Benchmarking**: Tata Power's metrics are occasionally benchmarked against peer companies like Adani Power and NTPC for contextual understanding.

LIMITATIONS

- The study is limited to secondary data which may not capture real-time investor sentiment.
- External macroeconomic and regulatory factors impacting performance are not deeply analyzed.
- It focuses solely on one company and may not be generalized to the entire sector.

DATA ANALYSIS



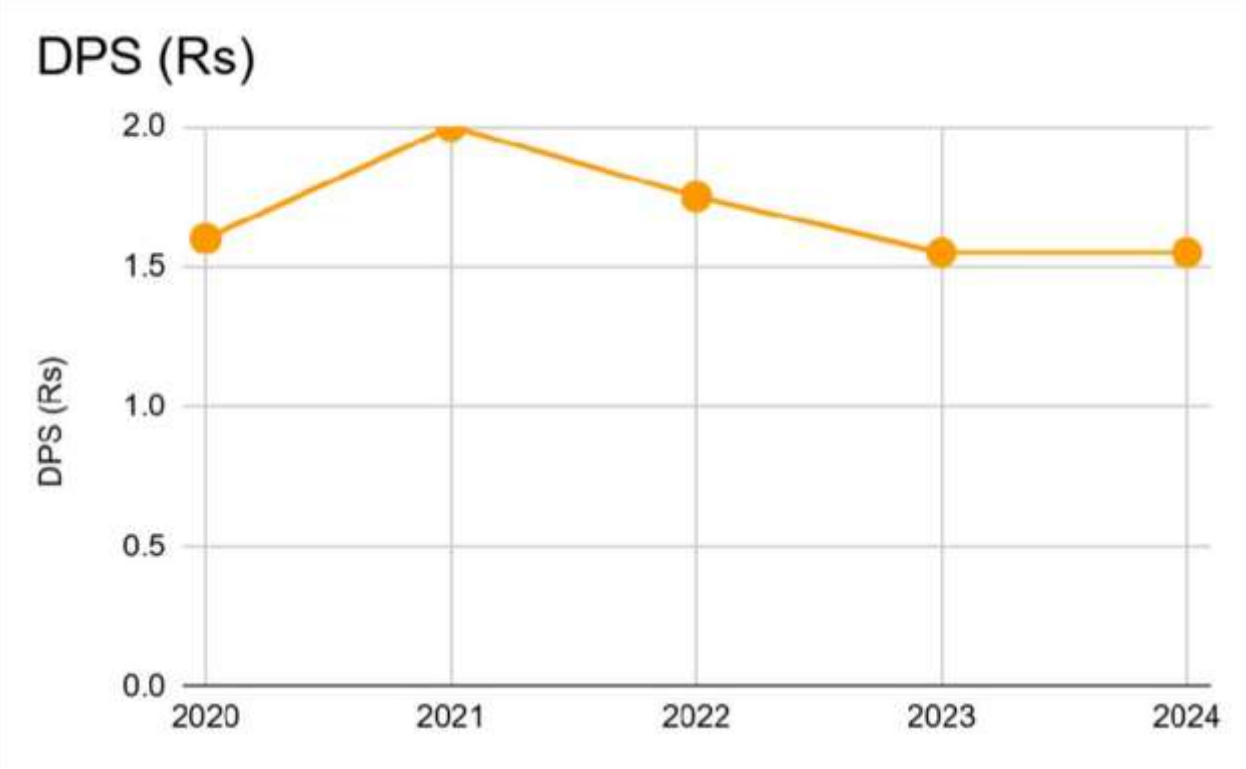
Overall Trend

The overall trend in the Earnings Per Share (EPS) as depicted in the graph is **volatile and declining**.

Detailed Interpretation

- **Initial Growth (2020-2021):** The EPS starts at a moderate level in 2020 and sees a significant increase in 2021, suggesting a period of strong growth.
- **Peak and Sharp Decline (2021-2023):** The EPS reaches its peak in 2021 and then experiences a sharp decline over the next two years, hitting a low point in 2023. This indicates a potential struggle or significant challenges faced by the company.
- **Slight Recovery (2023-2024):** While still low, there's a slight increase in EPS from 2023 to 2024, suggesting a possible attempt at recovery, though the levels are still far from the peak.

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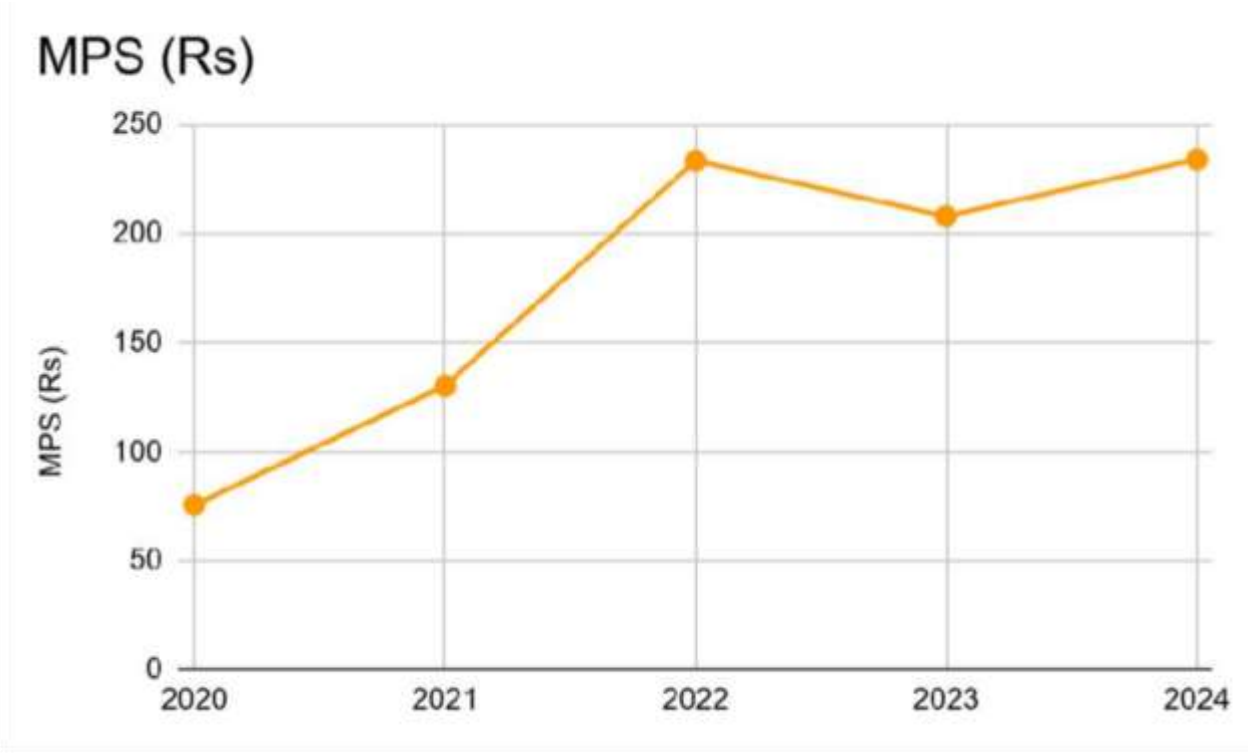
Overall Trend

The graph depicts a relatively stable trend with a slight increase in 2021 followed by **a gradual decrease** and then **flattening out.**

Detailed Interpretation

- **2020:** The DPS starts at Rs. 1.6. This represents the initial dividend payout per share.
- **2021:** There is an increase in DPS to Rs. 2.0. This indicates an increase in the dividend payout, which could be due to improved profitability or a decision to distribute more earnings to shareholders.
- **2022:** The DPS decreases slightly to around Rs. 1.75. This suggests a potential decline in profitability or a change in the company's dividend policy.
- **2023:** The DPS further decreases to Rs. 1.55 and remains at this level in **2024**. This flattening indicates a stable dividend payout in the last two years, albeit at a lower level than the peak in 2021.

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Overall Trend

The graph shows a generally **upward trend** in the Market Price per Share over the five-year period, with a significant increase from 2020 to 2022, followed by a slight dip and then a recovery.

Detailed Interpretation

- **2020:** The MPS starts at approximately Rs. 75. This represents the initial market valuation of the company's shares.
- **2021:** There is a noticeable increase in MPS to around Rs. 130. This indicates growing investor confidence and a higher perceived value of the company.
- **2022:** The MPS reaches its peak at approximately Rs. 235. This significant jump suggests strong market performance, potentially driven by factors like increased profitability, positive news, or favorable market conditions.
- **2023:** A slight decline is observed, with MPS dropping to around Rs. 210. This could be due to various factors, such as market corrections, changes in investor sentiment, or company-specific news.
- **2024:** The MPS recovers and reaches approximately Rs. 235, matching the peak of 2022. This indicates a resurgence in investor confidence and a return to the previous high valuation.

CONCLUSION

The EPS shows a volatile and declining trend, with a sharp decrease from 2021 to 2023, followed by a slight recovery in 2024. This suggests that the company faced significant challenges during this period, but may be in the process of recovering. The DPS shows a relatively stable trend, with a slight increase in 2021 followed by a gradual decrease and then flattening out. This indicates that the company's dividend policy has been conservative in recent years, likely due to the decline in EPS. The MPS shows a generally upward trend, with a significant increase from 2020 to 2022, followed by a slight dip and then a recovery. This suggests that investors are optimistic about the company's long-term prospects, despite the recent challenges.

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