

## TATA POWER LIMITED

Date: 14/08/2023

Reco. Price: 220-230 • Targets: 260-280 • Stoploss: 209

Time Frame: 3-6 months

### TATA POWER LIMITED -DAILY CHART



Chart as on 14th August 2023

### Technical Outlook

- On a daily scale, the stock has witnessed a breakout of an inverted head and shoulder pattern on July 28, 2023. Following the breakout, the stock tested a high of 245.40 and experienced profit booking. Consequently, the stock retraced back to the breakout point of the inverted head and shoulder pattern, as highlighted in the chart above.
- The breakout was accompanied by strong volume, suggesting strength in the breakout.
- According to the inverted head and shoulder pattern, the stock could test the levels of 270-280 in the medium term.
- The RSI on a daily scale is placed above the center point, suggesting strength.
- Based on the above technical set up, we recommend accumulating TATAPOWER in the range of 229-231 and on dips around 219-221 with a stop loss of 209 on a closing basis for the target of 260 in the short term and 280 in the medium term.

### Fundamental Rationale

- TATAPOWER's business profile is supported by its presence across the power generation value chain, distribution, transmission businesses, and its large-scale operations. It has an aggregate generation capacity of 14,230 MW (including a Resurgent platform) across thermal, hydro, wind, solar, and waste heat recovery, with the majority of the capacity having long-term PPAs (Power Purchase Agreements), providing long-term revenue visibility.
- The Company has fuel supply agreements (FSAs) with subsidiaries of Coal India Limited and coal mining companies in Indonesia which mitigate the fuel supply risks for its thermal power generation units to a certain extent. It holds 30% stake in PT Kaltim Prima Coal (KPC) and 26% stake in PT Baramulti Sukses Sarana Tbk (BSSR) for coal mining operations in Indonesia which acts as a partial hedge against price volatility on coal.
- In the EV charging infrastructure space, TATAPOWER is currently the largest player with +2,300 public & semi-public charging points, +400 charging points on various National and state highways, +18,500 home chargers installed, and currently has a presence in +430 cities & towns. The Company is also partnering with several players to provide destination charging through an integrated cloud-based platform that will provide multiple hardware as well as tariff and payment options to customers.
- In the last five years FY18-FY23, the Company's operating revenues and profitability have grown by a CAGR of 15% and 8% respectively. The Company is having a strong outstanding order book of ₹17,643 Cr. as of 30th June, 2023 which gives strong revenue visibility for coming years. **Hence, we recommend "ACCUMULATE" the stock.**

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