

May 19, 2026

The Corporate Service
Department
BSE Limited
P J Towers, Dalal street
Mumbai – 400 001
Scrip Code: **533553**

The Listing Department
The National Stock Exchange of India Ltd.
Exchange Plaza, Bandra- Kurla Complex
Bandra (East)
Mumbai 400 051
Symbol: **TDPOWERSYS**

TD Power Systems Limited
(CIN -L31103KA1999PLC025071)

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Dear Sir/Madam,

**SUB: TRANSCRIPT OF EARNING CONFERENCE CALL – QUARTER AND YEAR ENDED
MARCH 31, 2026.**

In furtherance of our letter dated May 06, 2026, regarding intimation of earnings conference call, the transcript of Q4 FY 2026 earning conference call held on May 15, 2026, is enclosed and same has been uploaded on the website of the Company at www.tdps.co.in.

Kindly take the above on record.

Yours faithfully,
For **TD Power Systems Limited**

Bharat Rajwani
Company Secretary & Compliance Officer

Encl: A/a



“TD Power Systems Limited
Q4 & FY26 Earnings Conference Call”

May 15, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchange on 15th May 2026 will prevail.



**MANAGEMENT: MR. NIKHIL KUMAR – MANAGING DIRECTOR –
TD POWER SYSTEMS LIMITED
MRS. M. N. VARALAKSHMI – CHIEF FINANCIAL
OFFICER – TD POWER SYSTEMS LIMITED
MR. VINAY HEGDE – TD POWER SYSTEMS LIMITED**

Moderator:

Ladies and gentlemen, good day, and welcome to the Q4 and FY '26 Earnings Conference Call of TD Power Systems Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone.

Please note that this conference is being recorded. Before we begin, I would like to point out that this conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectation of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Nikhil Kumar, Managing Director of TD Power Systems Limited. Thank you, and over to you, sir.

Nikhil Kumar:

Thank you. Good morning, everybody. Thank you once again for joining us on today's call. I trust all of you would have received our results and investor presentation. Now let's move on to discuss the financial performance of TDPS for the year ended 31st March 2026.

Stand-alone. Our full year total income on a stand-alone basis was INR17.37 billion versus INR12.88 billion over the same period in the previous year, an increase of 35%. EBITDA on an annual basis is 18.14%, including other income, excluding exceptional and treasury income versus 17.46% over the same period in the previous year.

Profit after tax and comprehensive income is INR2.18 billion versus profit of INR1.53 billion in the same period in the previous year, an increase of 42%. During the year, the company has provided for the investment for the value of, INR30 million from the subsidiary, DFPS. And with this, the company has provided for 100% of the investment value in its subsidiary.

Order book for the Manufacturing segment is INR19.73 billion, out of which INR16.77 billion is the generator business, INR2.47 billion is railway business and spares and aftermarket business is INR0.2 billion, Turkey is INR0.29 billion. Export and deemed exports, excluding railway order continues to be around 76%.

Order inflow statistics. Order inflow during the quarter is INR6.66 billion, an increase of 61% on a Q-on-Q basis on the previous year. Current year, the order inflow is INR22.38 billion versus the previous year INR14.78 billion, which is an increase of 51%. Export order inflow, including deemed exports during the quarter, is 80% of our total, which is INR5.28 billion.

Full year order inflow from direct and deemed exports is INR17.33 billion compared to INR9.85 billion in the previous year, growth of 76%. 79% of our total order inflow for the year is exports,

while 21% is domestic. An important point to note is the growth in the pending order for the year FY '26 for generators and motors is 66% compared to FY '25.

Consolidated basis. Our total income on a consol basis is INR18.78 billion versus INR13.02 billion, an increase of 44%. Profit after tax and comprehensive income for the year is INR2.36 billion versus a profit of INR1.73 billion, an increase of 36%. We continue to maintain a strong cash position of INR1.99 billion.

Now I'll come to the order book, market situation and guidance. Market conditions and guidance. In general, we see a very buoyant market for TDPS in all segments of the business. The basic factors that are driving growth continue to play out, AI data centers, grid stabilization, basic power generation, push towards renewables, which drives demand for geothermal, hydro and waste-to-energy, etcetera. With all sectors in full force, we see a very strong order inflow situation continuing, and the focus right now is on execution.

While our manufacturing plants in India are not affected by the war, since we do not import from the Middle East and most of our contracts for our completed products are ex works, unfortunately, one of our contracts in Turkey got affected by severe shipping delays of one lot of components on one ship from India to Turkey, and we had to take a high LD penalty on one of our contracts.

This has reduced the margins for our consol. This is a one-off event where the customer also was exceptionally brutal with us. However, we put that behind us, and now we are heavily focused on Q1 execution, where based on the progress so far, we see that we will do better than Q4 of last financial year.

Now let me come to the segments one by one. Steam Turbine. The market continues to grow at the rate that we predicted with no surprises both on the upside or the downside. The market is steady with around 10%, 12% growth taking place in captive power plant business, biomass and waste heat recovery.

Gas Turbine and Gas Engine business. The massive growth in this segment continues to roll on without pause. As mentioned in the investor presentation, we're getting large volume orders and the forecast for next year continue to show strong upward growth. When I say next year, I mean not just this year, but also for next financial year, which is FY '28. Growth is expected since our engine and turbine customers are also adding capacity, and these incremental numbers are resulting in demand for more generators. Notable orders are delivery to projects such as SpaceX, amongst others.

Hydro. We have a busy year ahead of us. This year will be one of the highest years for TDPS in Hydro. TDPS is very active in the refurbishment business in India and abroad. This segment will result in some high-value order wins for TDPS in this quarter and next.

Motors. The motor business remains a key focus area for us. However, during the year, last year, we prioritized high-volume generator opportunities, given strong export demand. We are now

separating manufacturing lines, which will improve focus and execution. We expect the Motor segment to stabilize and we see improved traction going forward.

Railway. We have nothing new to report. We have orders from the U.S. market, Europe market and Russian market. In addition to the Indian market, we'll be supplying to all the 3 markets next year and if one includes India, its 4 markets.

Finally, I'll come to the guidance. We've revised our guidance for FY '27 at INR2,400-plus crores with an extremely high probability to increase our guidance further to match the rate of order inflow that we saw in Q4 and what we expect in this financial year from Q1 to Q4.

This brings me to the end of my initial remarks. I'll now be happy to address any questions that you may have. Thank you.

Moderator: Thank you very much. We'll take a first question from the line of Mihir Manohar: from Trust Mutual Fund. Please go ahead.

Mihir Manohar: Congratulations on great set of numbers, fantastic numbers, too. I really wanted to understand on the generator side, large generators. We are talking over here, we have talked about capacity expansion over here. If you can provide some details as to which will be the end user application areas?

And what sort of customers would be there? Would this business be having higher margins? Because typically, large generators would end up having more people on the competition side. So some color on that will be helpful. And when we say capex, how large would be this capex? And what kind of potential revenue can one expect from large generator business?

Nikhil Kumar: These are very good questions, and I'm afraid I'm not going to be able to give you detailed answers for all these questions, but all the questions are very valid questions. And I think in about 2 or 3 months from now, I will be happy to answer all these questions in full detail. In general, what I can say right now, and that also alludes to the comments that I made in the investor presentation is that we are now putting a lot of focus on the large generator business, where we see our projections.

And our demand situation and our positioning in this market improving to the point where we need to take decisions to add capacity. And when I say this, when we put up the large generator capability in 2012, '13, we had put up the complete capacity for manufacturing the stator line, but we had limited the investments in the rotor side because of the drop in the market demand 15 years ago. Now we need to make up that gap.

So we need to invest heavily in manufacturing the rotors completely. We need big machining capabilities, especially for larger machines, maybe all the way up to 200-megawatt size. And this total amount of investment, we will discuss it in about 2 or 3 months. We're putting together the business plan, the numbers, but we just wanted to give an advanced information to the market that this is going to happen from TDPS side. It's an initial intimation that's going to happen. Details will be given later.

End-user markets, I can just generally talk about it. It's going to be mainly export. And this would range once again, the basic end markets will be the same as what it is for our larger generator, let's say, 40-, 50-megawatt size. So once again, we'll be focusing on power generation. We're focusing on larger AI data centers where we see a lot of demand now in the future, it will shift to the larger sizes because definitely it's more efficient. We're also looking at combined cycle applications where large gas turbines would need a steam turbine for the combined cycle for higher efficiency.

So now we are in a fairly strong position in terms of taking those decisions that, yes, we need to put the money on the table to put up the capacity and the market is large. Exactly what we can do and what we expect in terms of our ramp-up on the business plan, all these questions will be answered in the next quarter. But yes, as I said, all the questions are good ones. And I'm sorry, today, I'm not going to be able to address these with specific answers, but the situation is looking good for the company.

Mihir Manohar: Sure. No, fair point. And just last question on the gross margin side. Gross margins contracted Q-o-Q, Y-o-Y. I mean you mentioned there was some one-off. If you can clarify it, and will we see reverting back margins, gross margins once you get to 35%, 36% kind of levels?

Nikhil Kumar: See, our gross contribution margin on a consol basis has been hovering between 33% and 34% on an average, let's say, 34% on an average. So we are about 3% down from that in this last quarter. We had a one-off event where we had a big contract from Turkey where we delayed generators because of component deliveries from India, which got stuck midway and could not get delivered for almost 1.5 months.

So we took a big hit. We put that behind us. The customer also was pretty brutal with us, but it's a one-off event. We don't have this kind of shipping in our scope in the future. So we don't expect this to happen once again. Yes, and you can expect gross contribution levels to move back to the average historical levels.

Moderator: Next question is from the line of Mohit Surana from Monarch Network Capital.

Mohit Surana: Just one follow-up question to the previous one. Sir, which are the large players already in the global market who are manufacturing these larger capacity generators?

Nikhil Kumar: Siemens is the global leader by far. Then you have Baker Hughes after the acquisition of Brush. They are very big in this business. These are the 2 big players on the Western side. And then you have on the Japanese side, of course, you have Mitsubishi, Fuji Electric, Toshiba. So all these players are big players, the big energy companies, yes.

Mohit Surana: Got it. And sir, our move to enter into this larger capacity generators, will this also serve the nuclear power segment, this SMRs, small modular reactor, where the generators will also be required? Will this cater to that segment as well?

Nikhil Kumar: It will definitely. The sizes would be appropriate to that segment. I mean, it depends what you classify as being small. Right now, people are talking about 250 megawatt to be small. We are

focusing our business around, say, we're capping it around 200-megawatt range. So if SMR comes in 200-megawatt range, yes.

Moderator: We'll take a next question from the line of Saif Sohrab Gujar from ICICI Prudential AMC.

Saif Sohrab Gujar: Thank you for the Opportunity, sir, just one question, on the capacity front. Considering our order book has been growing more towards the export piece of it and focusing on gas direct, considering that, from the current capacity, how much of peak revenue would the current facilities generate?

Nikhil Kumar: So this year, we have a plan to invest around another INR50 crores in capex, okay, in addition to whatever we did previously. And this INR50 crores once again will go towards adding incremental capacity in certain areas, which we consider to be bottlenecks and we'll be investing approximately the same amount next year also in a little bit more automation and again, debottlenecking certain capacities and adding small capacities in certain areas.

So INR50 crores plus INR50 crores, you can say this year and next financial year. This is not including the investment that we will have to make for the larger generators. That will be taken as a separate piece.

But now coming to your question, we believe that we can go up to about INR30 billion to INR32 billion with our current capacities and with these incremental investments made this year and next year. So we are basically covering what we believe we can do as sales for up to FY '28.

Moderator: Next question is from the line of Nitin Arora from Axis Mutual Fund.

Nitin Arora: Nikhil, just on the supply chain part, like, for example, you gave one of your plant example. On this data center opportunity, where are you seeing the execution delays, let's say, from turbine makers? I'm just trying to understand that given the demand is so high, and you have given the guidance for this year. But generally, do you see any supply chain challenges? Any issues from the turbine makers is taking more time. So eventually 1, 2 quarters, there might be some delays in the revenue side or the supply chain challenges side. If you can throw some light on that.

Nikhil Kumar: No. Actually, it's just the opposite of what you're saying, completely the opposite of what you're saying. It's been 180 degrees reverse. We have our turbine customers and our engine customers monitoring on twice a week basis our deliveries, and are taking the machines as soon as they're ready. So we are being very, very stringently monitored on execution.

And even like a 3-day delay, 4-day delay is being severely questioned by our customer. So it's a totally reverse situation. There's a lot of execution pressure from our side, and we are not having a single machine sitting in our shop waiting for it to move to the customer on the gas side.

Nitin Arora: Got it. Great to hear that. And just last question from my side. On the client addition part, barring, let's say, the Baker Hughes or GE, how do you see the pipeline here? I mean, do you see more outsourcing going forward given global guys are getting chock-a-blocked completely? Do you see that case of upsizing only over the next 2 years? Or do you think now whatever the orders

have been come -- have come, they will also see how the ramp-up happens and the next cycle of ordering starts happening after 1 year? Just on the direction side for the next 2, 3 years, how are you seeing it?

Nikhil Kumar:

First of all, there are limited number of prime mover manufacturers in this business, right? And there's no possibility for new entrants in this business. So this market is now completely determined by the capacity on the prime mover side. When I say prime mover, I mean engine and turbine side. So if, let's say, there are x number of engines, then you need x number of generators. So if it becomes x plus something, then you need x plus something on generators. So this is what's happening.

Now our turbine customers, engine customers are, on an average, planning to double capacity by 2030, some a little bit more, some a little bit less. But you can say everyone is doubling capacity by 2030 and bring it in doing new steps. So we'll be seeing this incremental -- from this point of time, we'll be seeing incremental improvements in our outputs also to match with the larger number of turbines and generators, which are coming -- sorry, turbines and engines which are coming into the market. So this is, in general, as what I can say is a trend.

Of course, on a year-by-year basis, there could be a little bit ups and downs. But in terms of the investment decisions and the momentum of this whole capacity addition on the prime mover side, that's something which is already in play. And I don't think that that's going to come to an end because -- or that's not going to stop because there's such -- these are huge companies, very large organizations. And once they start doing something, they don't stop. They just go through it.

Moderator:

Next question is from Ganeshram from Unifi Capital.

Ganeshram:

Congratulations to the team on the performance. So Nikhil, just to be clear, because of the escalating commodity prices and because of -- in certain auto ancillaries, for example, there have been some disruptions because of gas availability, etcetera. Just to be sure, are we facing any impacts from this? And do we have to do anything to mitigate it?

Nikhil Kumar:

So one is increase in commodity prices. It's been pretty drastic on copper. So our hedges are now running out. So we are in this phase over period where there are new prices with some of our customers are kicking in, some of the prices are not kicking in. But overall, I think our margins are going to be generally stable because also with the high export exposure that we have, there's a certain amount of benefit that we also get from the devaluation of the rupee to the extent of maybe the value addition that takes place in India because we also import a lot of materials.

So those are kind of currency-neutral from our point of view because we import in dollars and euros and then we have to export in dollars and euros. So overall, I would say neutral, Ganesh. But there is no doubt that commodity prices are like -- say, copper at \$14,000 is high. And the increases in prices that we have now talking to some of our customers are also now approaching double-digit levels. So let's see how it plays out. But for the next 2, 3 quarters, I don't see any major disruption to our margin guidance.

Ganeshram: Okay, Nikhil. That's very helpful. And we've already ramped up production to about INR590 crores this quarter. But when I look at the employee expenses, they've been largely stable quarter-on-quarter. So I just wanted to get an understanding on how we should expect this to move next year as you ramp up?

Nikhil Kumar: We have largely employed everyone that we want to. There could be incremental increases, but no major increases taking place from this point onwards.

Ganeshram: Okay. That's clear. And just my last question is, I think the last time we discussed that you were in conversations with a larger OEM, and there was also a prototype submitted on the higher megawatt. I know we're not expecting revenues anytime soon. But any updates on how the prototypes are performing and how the conversations are evolving?

Nikhil Kumar: No, I'm not going to answer that specific question, but I think you have to refer to the overall remarks that I made about the larger generator business in the earlier part of this call, Ganesh. So I think you have to look at it from that perspective instead of a specific customer perspective. We are taking those -- we are going to be making the investments to get into this market in a big way and start supplying into this market in a big way.

The only thing I can say, which I did not say a little bit earlier, which I have to give a little bit of caution is that, the investments that we have to put in for large machining capabilities, let's say, large lakes or large machining centers and so on and so forth, those take 15 months right now under the current environment to buy and to install, between 15 to 16 months because, as I mentioned a little bit earlier, everyone is expanding, right? Everyone on the prime mover side is expanding. So all the machine tool manufacturers worldwide are full with orders.

So we are basically coming into this capacity expansion thing on our larger generators a little bit late compared to others. We have to wait. So the earliest that we can put in our complete capacity would be something like in calendar '27.

And so we'll be looking at the big ramp-up taking place in our large generator business only in calendar '28. Meanwhile, we'll continue to supply with whatever existing capacity that we have, but we have started making commitments to the market on our larger numbers from calendar '28 onwards, which will basically be FY '29.

Moderator: Next question is from the line of Mayank Chaturvedi from HSBC.

Mayank Chaturvedi: Congratulations on a great set of numbers. On this larger generator piece, is the technology and the capability being driven by the U.K. R&D centers that we had set up -- started setting up year back?

Nikhil Kumar: Yes, yes, very much.

Mayank Chaturvedi: Okay. So will there be any royalty or any sort of payments to that entity?

Nikhil Kumar: No. It's our 100% subsidiary company.

- Mayank Chaturvedi:** All right. And does the customer profile changes for these larger generators?
- Nikhil Kumar:** Yes and no. I mean it's the same set of customers buying larger machines. See, everyone prefers to buy a larger -- basically, end users prefer larger machines because they are more efficient. But today, there's a limited number of larger machines available. So that's why they are forced to buy the smaller machines. But in general, larger machines are more efficient, far more efficient than smaller machines. So that's the preference on the customer side always.
- Moderator:** We'll go to our next question from the line of Karan from Jetha.
- Karan:** Okay. So one of the large customers of generators being INNIO that works with VoltaGrid recently filed a prospectus. And in the prospectus, they said they want to triple capacity.
- Karan:** Yes. So they said they want to triple capacity. I just wanted to understand how that dovetails with your plans. I think you said double capacity by 2030,
- Nikhil Kumar:** Yes. So what I said exactly, Karan, was I said that on an average, it is double, some more and some less is what I said, okay? So I know about INNIO's plans to triple. But I didn't mention any specific customer. I said on an average, it's double, and I said some are more and some are less.
- Karan:** Okay. And your share of wallet on average across the doubling of capacity that is happening in India seem to be going up?
- Nikhil Kumar:** We have a very specific forecast and a capacity agreement signed with INNIO, where it goes up to 2030. I'm not going to disclose those numbers with you, but it's extremely exciting for us, and we are very deeply plugged in with this customer.
- Karan:** I guess my broader question is, are you gaining share across the group? And if so, why? What would be the reason?
- Nikhil Kumar:** I'm not going to answer that question. We are deeply plugged in with INNIO in their capacity expansion. We have a capacity commitment agreement signed with them, and the numbers are extremely good for us.
- Moderator:** Next question is from Aditya Trivedi from Nepean Capital.
- Aditya Trivedi:** So the question I had was that with global gas turbine -- all the gas turbine OEMs taking price hikes given the kind of demand that they have in order backlogs, are you seeing that kind of pricing power emerge in the specialized generators? And could that lead to sustainable gross margin expansion for TD Power?
- Nikhil Kumar:** We have, it's difficult for us to get better pricing than what we currently have, Aditya. We have decent pricing. We have currency tailwinds. We have price variation clauses for raw material variations. So we are not going to make the same kind of money that the turbine guys make. That's clear.

- Aditya Trivedi:** Okay. And another question I had was on the nuclear side. You all have got orders from NPCIL for induction motors in India for 100 gigawatt nuclear target by 2047. So what is the competitive landscape in terms of OEMs that have qualified to supply induction motors to NPCIL? And do you see this as a big revenue growth vector for TD Power going forward?
- Nikhil Kumar:** NPCIL ordering, while there's a huge number in terms of gigawatts, which is planned, the actual ordering and implementation is slow, and it tends to be choppy. So I can't put a number on it because the process for nuclear power plant construction is very slow. So new capacities will come online. It's not going to happen in with a big bang approach. The market is large. But there is also domestic competition. There's BHEL, there's Crompton and there are also imports. So it's not like that we have a monopoly in this sector. It's competitive.
- Moderator:** Next question is from Akshay Jogani from Xponent Tribe.
- Akshay Jogani:** Congratulations on a great set of numbers. So what I wanted to better understand, you spoke about aeroderivative engines or you wrote about it in the last presentation on a prototype version with one of the customers. Could you give some update on what's happening there in terms of what is the progress we have made?
- Nikhil Kumar:** Yes. So I think Ganesh asked the same question a few minutes ago.
- Akshay Jogani:** My apologies.
- Nikhil Kumar:** I just answered the exact same question. So I'll stick to whatever I told Ganesh a little earlier.
- Moderator:** Next question is from the line of CA Garvit Goyal from Serene Alpha.
- Garvit Goyal:** Congrats for a good set of numbers. First question is on the trade receivables part. So we are seeing the growth in the trade receivables is outpacing the top line growth. Is there any specific reason for that? And how much of the outstanding trade receivables on 31st March are recovered till now, sir?
- Nikhil Kumar:** Varalakshmi, can you take this question, please?
- M. N. Varalakshmi:** Yes, the outstanding creditors have been completely covered.
- Garvit Goyal:** INR700 crores which was due was completely covered, that's what you are saying, right?
- M. N. Varalakshmi:** Yes.
- Garvit Goyal:** Understood. Understood. And secondly, on the EBITDA into CFO [inaudible 0:33.48] how is it going to be going ahead? Like most part of the billing will be end of the financial year itself or we will be looking to improve?
- M. N. Varalakshmi:** No, actually, can you clarify your question because your question, I don't understand it.
- Garvit Goyal:** I was trying to understand the conversion of EBITDA into CFO, and it is 21%. So how we are looking to improve the thing, that's what I'm asking?

- M. N. Varalakshmi** Yes, that will happen. See, we are growing, so we need to build in inventories and all, and those inventories will get built during the quarter. And these are short-term size -- orders, so we need to have a lot of inventories. They get converted into cash flows in the next quarter.
- Nikhil Kumar:** I mean I think you just have to look from the perspective that we did INR18 billion last year. Now we are projecting INR2,400 -- sorry, INR24 billion plus, so at least INR33 billion. So it's taking -- all our retained earnings are basically going into working capital.
- Moderator:** Next question is from the line of Ayush D. from Shravas Capital.
- Ayush D.:** Congrats on the good set of numbers. I just had one question on the domestic steam turbine segment. If you could just give us some color on what would be the growth for this year in terms of the commentary you have had with the customer?
- Nikhil Kumar:** Vinay, can you take this question, please?
- Vinay Hegde** Yes. Ayush, I'm Vinay. So domestic steam turbine market is growing steadily. And as we have told in the presentation, we are expecting 10% to 12% growth. The sizes of the machines are shifting to the largest from 30 megawatt up to 60-megawatt range. So we are seeing a steady growth of 12% for the year.
- Ayush D.:** And also, if you could just help us with what percentage of revenue comes from this segment?
- Vinay Hegde** This segment, on the overall turnover of TDPS?
- Ayush D.:** Yes.
- Vinay Hegde** Steam turbine is around 25%.
- Moderator:** Next question is from the line of Soumil Jain from Lucky Investments.
- Soumil Jain:** Just a clarification, did you mention that 25% of revenues come from steam turbines? Sorry to be repeating on this?
- Vinay Hegde:** Yes, you're right.
- Soumil Jain:** Okay. And could you give similar numbers for gas turbines and gas engines, each of them?
- Nikhil Kumar:** No. Generally, we don't give a split because it changes year-to-year, quarter-to-quarter and we do not know, from the customers we could have it skewed. So we don't want to give explanations every quarter as to why something we did more or something we did less. Generally, we don't prefer to give these numbers.
- Soumil Jain:** Absolutely. And on the large generator side, is there a particular anchor customer that you have very high confidence on
- Nikhil Kumar:** All questions are questions after 3 months, please. I'm not going to be able to give more details than what I gave, except that we are going ahead with this plan.

- Soumil Jain:** Sure. In the presentation, you mentioned that you received volume orders for gas turbines. This will be small generative,
- Nikhil Kumar:** These would be below 50-megawatt range, yes.
- Soumil Jain:** Okay. And finally, can you give us a broad sense of what your typical RM basket looks like, just a broad sense?
- Nikhil Kumar:** RM basket, copper, forgings, electrical steel, mild steel, insulating materials.
- Soumil Jain:** What will be the share of copper
- Nikhil Kumar:** I'm extremely sorry, we can't.
- Moderator:** Next question is from the line of Vivek Gautam from GS Investment.
- Vivek Gautam:** Congratulations for excellent numbers. And there are many investors who have just started tracking the company. So don't mind the question, sir. Just wanted to understand the opportunity size and for our success, especially in AI and data center play. And how long can it go up? And how sustainable are the numbers, sir? And how differentiated, sir, especially the Japanese collaboration we started out and how is it differentiating us?
- Nikhil Kumar:** So the AI data center market, the power requirement of the data center market for U.S. alone is projected to be somewhere around 100 gigawatts in size. And the expected time frame to address installation of this capacity is going to take 5 to 7 years. And this is only the U.S. market, and there's other parts of the world, which are also going to be adding data center capacity. So this number could well go up to at least double the size. So there's going to be a fairly long cycle in terms of capacity or the power requirements from the AI side. This is only AI.
- And of course, there is the traditional power generation, there's oil and gas, there's renewables, waste-to-heat energy, there's hydro, there's geothermal. So there are a lot of opportunities right now for the company in different segments of the business. Today, of course, AI is the most exciting part of the market, but we're not ignoring other parts of the market.
- Vivek Gautam:** And our differentiators, sir?
- Nikhil Kumar:** Well, we have been working with these engine and turbine OEMs for a long time, so when this boom started and our turbine and engine customers were in the middle of it, getting large amount of orders since we had established long relationships with them, we also were in a position to get benefited from this boom, let me put it that way. So what is our differentiators?
- We have had long relationships with these customers and our differentiators is high quality, on-time deliveries, extremely good service network. And of course, we offer very competitive pricing. So we have built these relationships over a decade or more, and we continue to grow and deepen our relationships with these customers.

- Vivek Gautam:** And how about Turkey plant, is it helping us out in any way due to the big demand? So earlier we were planning to...
- Nikhil Kumar:** It is only for Turkey, and we have small orders over there, and we'll continue to use that plant primarily to make these small machines only for the Turkish market. And as a backup, it also serves as a service shop for us in case we need to use that facility to address our larger population of machines in the European market.
- Moderator:** I request you to join back the queue, please. Next question is from the line of Nishita Shanklesha from Sapphire Capital.
- Nishita Shanklesha:** So I had a question on the order book. So currently, we have around INR19.7 billion worth of order book. What would be the execution time line for this? And how do we see order book growth in FY '27?
- Nikhil Kumar:** Vinay, can you take this question, please?
- Nikhil Kumar:** Okay. Then I will -- all the INR2,000 crores or whatever is there in the pending order will be executed this year. And order book growth, we have not given the guidance for next financial year, which is FY '28 as yet. But I will give the -- we're seeing a growth in our quarter-on-quarter inflow numbers. And it will grow. Maybe I think on an average, we can say conservatively, we'll definitely be able to grow 20% to 25% even next year over this year.
- Nishita Shanklesha:** Okay. Understood. And then I just wanted a clarification on the revenue guidance. I don't know whether I heard it correctly. So you mentioned that in FY '27, we can do around INR24 billion of revenue and by FY '28, we can reach INR32 billion. Is that correct?
- Nikhil Kumar:** I said that we have a capacity to address INR32 billion for FY '28, yes, but that is where management is also expecting numbers to be on a conservative basis, yes.
- Nishita Shanklesha:** Okay. And INR24 billion for FY '27, right?
- Nikhil Kumar:** Yes, that's the number for FY'27, INR2,400-plus crores.
- Nishita Shanklesha:** Perfect. And our margins would be in line with what we've done in FY '26, just better excluding the one-off event in Turkey?
- Nikhil Kumar:** Yes.
- Moderator:** Next question is from the line of Nakul Gupta from Shikherjee Advisors.
- Nakul Gupta:** Really congratulations for a great set of numbers. My only question would be like what are the major challenges you faced in the business? Like what are the major risks you see going forward that would be detrimental to get us achieve the numbers?
- Nikhil Kumar:** Well, we are under tremendous execution pressure at the moment. So the factory is running very full. And this kind of very high capacity utilization always presents the risk that if there are

breakdowns in any of the production equipment, then you would have production delays because we have a lot of total preventive maintenance, and we have a lot of things that we do in our factory to avoid those kinds of things.

But if you ask me about the risks, high factory utilization is always a high-pressure event for everybody. And that's where we are, and that's where we will continue to be. We don't see the situation changing for us at all. So this is a new normal for us, and we have to deliver and we will deliver.

Moderator: Next question is from the line of Mohit Surana from Monarch Network Capital.

Mohit Surana: Sir, one basic question with respect to how many generators are required per turbine. Is it always a 1:1 ratio or every turbine can have, say, more than 2, 3 generators? And what's the general industry trend?

Nikhil Kumar: One turbine, one generator; one engine, one generator.

Mohit Surana: Understood. Sir, next question is with respect to your hiring of a new CEO for the first time in TD Power. Sir, what capabilities he brings to the table? And what kind of vision we have? I think it's mainly with respect to the larger capacity generators, right, if I'm not wrong, sir?

Nikhil Kumar: Deepak is here on this call. So maybe it's a good time to introduce Deepak. Deepak has joined as the -- he's on this call. He's joined as the CEO of the company. He's not been brought in just to look after the large generators. Of course, he's come from L&T Mitsubishi, which makes the large generators in Gujarat. So he has a strong background with the large grading machines.

But previously, he's worked in GE, and he's got extensive experience also with the smaller machines. So Deepak is going to come in as the number two in the company and his role is to be in charge of all the activities of the organization and to assist me with the growth of the organization. And I'm really happy to have him onboard. And Deepak, if you maybe would like to say a few words right now, it's a good time since people have asked about you.

Nikhil Kumar: Okay. Deepak is not on the call. Right. So maybe he logged out. So yes, that's the background about Deepak. And as I have been saying this in various investor meetings one-on-one basis, TDPS is definitely moving towards professionalizing its management. As we grow, as we scale up, as we get into different kinds of businesses, we need to have top professionals in our organization to manage the business in the future.

And increasingly, we will see more professionals coming in, high-quality, highly capable people coming in at the senior management level to take on larger roles in the organization, to build the systems, to make the company more efficient and to organize ourselves better for the growth that's taking place.

This is a process which is going to accelerate as far as we are concerned. And you will see in the future that we'll be doing this more. That's the direction in which the management is going to go. It's going to become a professionally managed organization in the future.



- Moderator:** Next question is from the line of CA Garvit Goyal from Serene Alpha.
- Garvit Goyal:** Sir, although you answered it before, but maybe I missed that. On the margins front, considering the cost impact we are seeing right now on the commodity side, although you mentioned 2 to 3 quarters, we will not be seeing any impact. But structurally, how is it going to impact our margins? Have you any view on that, sir?
- Nikhil Kumar:** We have built in protections into our margin as much as we can. That means one is through hedges, raw material hedges, through price variation clauses with our customers. But when there's a sudden spurt in commodity prices, like, say, in a week or 10 days, it goes up by, let's say, 10% or 15%, whatever you do is not going to be enough to protect yourselves against those spurts. So customers are not going to react by changing prices like in a week or 10 days, but you have to buy materials.
- But the hedges will give you some kind of buffer for some time. But then at some point of time, if the prices persist in the market, then once the hedges run out, then you need the higher prices from the customers. As I said that there could be some small lag, but I also said that we have some tailwinds from the foreign exchange side. So overall, I expect us to be fairly neutral, and I don't expect a big impact on the margins. But if the commodity prices again go up in a big way, another 20%, 30%, then we have to see what we have to do.
- Garvit Goyal:** So the current situation is manageable, that's what you say?
- Nikhil Kumar:** Yes, correct situation is manageable.
- Moderator:** Ladies and gentlemen, we'll take that as the last question for today. I now hand the conference over to management for closing comments. Over to you, sir.
- Nikhil Kumar:** Thank you, everyone, for joining us on this call. If you have any further questions, please feel free to get in touch with our management team. And I look forward to interacting with you and meeting many of you face-to-face in some investor conference. Thank you very much.
- Moderator:** Thank you. On behalf of TD Power Systems Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.