

November 05, 2025

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)

REGISTERED OFFICE & FACTORY:
27, 28 and 29, KIADB Industrial Area
Dabaspur, Nelamangala Taluk
Bengaluru Rural District
Bengaluru – 562 111 India

Tel +91 80 229 95700 / 6633 7700
Fax +91 80 7734439 / 2299 5718
Mail tdps@tdps.co.in

www.tdps.co.in

Dear Sir/Madam,

**SUB: TRANSCRIPT OF EARNING CONFERENCE CALL – QUARTER ENDED
SEPTEMBER 30, 2025.**

In furtherance of our letter dated October 18, 2025, regarding intimation of earnings conference call, the transcript of Q2 FY 2026 earning conference call held on October 31, 2025, 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

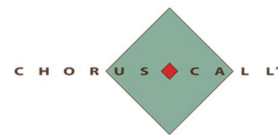
Bharat Rajwani
Company Secretary & Compliance Officer

Encl: A/a



**“TD Power Systems Limited
Q2 and H1 FY '26 Earnings Conference Call”
October 31, 2025**

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchanges on 31st October 2025 will prevail.



**MANAGEMENT: MR. NIKHIL KUMAR – MANAGING DIRECTOR –
TD POWER SYSTEMS LIMITED
Ms. M.N. VARALAKSHMI – CHIEF FINANCIAL
OFFICER – TD POWER SYSTEMS LIMITED
MR. VINAY HEGDE – GLOBAL HEAD, SALES AND
MARKETING – TD POWER SYSTEMS LIMITED**

Moderator:

Ladies and gentlemen, good day, and welcome to the Q2 and H1 FY '26 Earnings Conference Call of TD Power Systems Limited. As a reminder, all participant lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need an assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone telephone. Please note that this conference is being recorded.

Before we begin, I would like to remind participants that this conference call may contain forward-looking statements about the company, which are based on the beliefs and opinions and expectations of the company as on the 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 call over to Mr. Nikhil Kumar, Managing Director of TD Power Systems. Thank you, and over to you, sir.

Nikhil Kumar:

Thank you. Good morning, and thank you all for joining us today on this call to discuss the financial results of TD Power Systems for the 6-month period ended 30th September 2025. I have my colleagues, M.N. Varalakshmi and Vinay Hegde, Head of Marketing and Sales on this call.

Moving on to the financial performance of the company for 6 months period stand-alone basis. Our total income for H1 on a stand-alone basis was INR 7.64 billion versus INR 5.77 billion over the same period last year, an increase of 33%.

EBITDA for H1 is 18.42%, including other income and excluding exceptional and treasury income, versus 18.04% over the same period in the previous year. Profit after tax and comprehensive income for H1 is INR 989 million versus a profit of INR 720 million for the same period previous year, an increase of 37%.

Order book of manufacturing segment is INR 15.87 billion, out of which INR 12.35 billion is generator business and motor business INR 3.16 billion in the railway business, and spares & aftermarket business is INR 0.07 billion and INR 0.29 billion in the Turkey business.

Exports and deemed exports, excluding railway order, growth is 8%. Order inflow during the quarter is INR 5.24 billion, an increase of 45% Q-on-Q basis. The order inflow for the H1 basis was INR 9.16 billion for this half H1 versus previous H1 is INR 6.58 billion, an increase of 39%.

Order inflow from direct and deemed exports is INR 6.95 billion compared to INR 4.78 billion in the previous year. 76% of our H1 order inflow is exports and 24% is domestic. Consolidated, our total income for 6 months on a consol basis is INR 8.33 billion versus INR 5.89 billion, increase of 42% and profit after tax and comprehensive income for H1 is INR 1.108 billion versus a profit of INR 764 million, an increase of 45%. We continue to maintain a strong cash balance of INR 1.93 billion.

Order book, market situation and guidance. The market conditions are similar in all segments as compared to the last quarter except for the gas turbine and gas engine business, which is completely turbocharged and demand has increased dramatically.

Let me go through each segment and market in some level of detail. In India, the steam turbine business, the market continues to grow at the rate that we said earlier with no surprises both on the upside and downside. The market is steady with around 10% to 12% growth taking place in captive power plant business, biomass and waste heat recovery.

We have received a large number of orders for larger size coal units and we expect further orders to continue in the upcoming quarters also for larger machines for steam turbine generators. In the export market, the pipeline is also strong and overall, we expect on the export market also 10% to 12% increase in steam turbine business. We're getting steam turbine orders from all over the world and demand is strong and steady.

Now coming to the gas turbine and gas engine business. The demand and forecast on US and Europe are extremely high and we're experiencing a very large uptick in orders. The forecast made by our prime mover partners are extremely high and are exceeding expectations.

Based on the surge in orders in this segment, we increased our guidance this financial year to INR 18 billion and over INR 20 billion for next financial year. Order booking in Q3 continues to be very strong and we will end this quarter with extremely strong, good order booking numbers.

Currently, what we are seeing is that we are seeing that we have ramped up our order booking to an average of INR 550 crores per quarter, which we will sustain into next year. This gives us an indication of what could be the expected business on a minimum basis for next financial year.

We're getting orders from, as I said, all markets and particularly from the US market despite the duties and we expect further order inflows once the trade deal between India and the US materializes sometime in November and December.

Hydro, we have achieved excellent order inflow in this segment and next year will be one of the highest in the history of our company for hydro. And as mentioned in the last quarter, we're also bidding for large refurbishment projects. None of them have fructified so far. But even then, we are hopeful that we'll be successful in a few of them.

Our motor business is growing at the rate that we earlier mentioned. We don't have anything special to report in the motor business. We'll be on track with our plans. The railway business is also going on track. We are producing the trial units for both the US market and the Europe market.

Both these trial units for both these jobs should be handed over to the customer by the end of this quarter, that's Q3. Qualification will take place early in Q4 and we'll start producing volume production in Q1 next year. Similarly, for the Russian traction motors, we have offered our motors to the Russian customer as qualification units.

After they will test the motors, say, in Q4 next year, we should see a ramp-up taking place in the railway business for Europe, US and Russia. General guidance, as mentioned earlier, our revised

guidance for the current year is INR 1,800 crores and initial guidance for next year is over INR 2,000 crores.

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

Moderator: Thank you. We will now begin the question-and-answer session. The first question is from the line of Mihir Manohar from Trust Fund.

Mihir Manohar: Congratulations on a great set of numbers and also providing the guidance. Largely wanted to know on the capacity expansion side, because when we see, again, end of this quarter or the start of the next quarter, we are expecting capacity to kick in. Now if I recollect, I mean even after debottlenecking and all, our overall potential comes out to be INR 2,300 crores, INR 2,400 crores and it takes us roughly 9 to 12 months for the capacity to come in.

So I mean will we be looking at capacity expansion because if the demand is so strong beyond the level, we will end up having constraints on capacity. So what is your thought around this particular topic as to when will you look to expand capacity further from here on?

Nikhil Kumar: Yes. We will never be in a situation that we will be short of capacity. So we will not let that happen. The current capacity, we constantly find ways to push our capacity. So for example, we have already -- without the third plant being fully operational, we already ramped up our production fairly significantly.

The third plant will be fully commissioned in this quarter and it will be fully in production and we will see a ramp-up in our production and sales in Q4 further compared to what we're expecting in Q3. And there is a lot of scope for us to push this number even beyond INR 2,400 crores, INR 2,500 crores.

We've done a lot of capacity analysis once again with some further debottlenecking. We don't expect to make any major investments up to FY '28. Of course if the demand further pushes the requirement to go beyond INR 3,000 crores, then we have enough of land, we have enough buildings also.

We have created 25% extra space in each building so that we can expand capacity, we can put in more machines up to 25% in the existing buildings. So we don't have to create new buildings. We have taken that buffer space in our existing new factories. So I don't see a problem of capacity, honestly speaking, and that's the last thing on my mind right now.

Mihir Manohar: Okay. Understood. So basically all 3 plants put together, I mean the overall max potential can be INR2,500 crores, INR2,600 crores. Is that a fair number to look at?

Nikhil Kumar: Yes, that is the goal with some incremental investments, but we don't have to do the bulk investments.

Mihir Manohar: Understood. Second question was on the order inflow side, let's say, in 1H. For the first half, what was the order inflow from the US and what was that number, let's say, for '25?



- Nikhil Kumar:** We don't give market-wise breakup like that. We don't give customer-wise breakup and we don't give market-wise breakup.
- Mihir Manohar:** Sure. No issues. And third question was just on the GP side. I mean when I see the GPs for the 1H or even second quarter as well as the first half...
- Nikhil Kumar:** I'll answer this question and then he can go. I know your question. Why the GP went down by 250 basis points compared to...
- Mihir Manohar:** Right.
- Nikhil Kumar:** Yes. Varalakshmi, you can take this question.
- M. N. Varalakshmi:** This is mainly because of the product mix. We had some services and spares jobs that we had done in Q1 and we will be getting back to the normal GP range in Q3 and Q4.
- Nikhil Kumar:** Yes, we are very confident that we will get back to our earlier numbers of GP by the end of Q4. We have some excellent orders in the next 2 quarters, in this quarter and next quarter. We will get back our numbers.
- M. N. Varalakshmi:** And also it's good to look at the GP on an annual basis rather than quarter or H1, H2 basis.
- Moderator:** The next question is from the line of Mohit Surana from Monarch Network Capital.
- Mohit Surana:** Congratulations on a great set of results. My first question is with respect to the overall industry dynamics. I believe overall, the demand for turbines and the generators are very strong in almost all the segments and particularly in the gas engine particularly for the data centers and grid stabilization.
- In this scenario, do we expect some kind of realizations improvement over the next 1 or 2 years? And as you said, the volume would remain strong, but any thoughts or any comments on the realizations front? That is my first question.
- Nikhil Kumar:** Yes. So this question about the demand from the US and data centers and there's a lot of newspaper articles about the AI bubble and everything. But those who have access to the Wall Street Journal, I would recommend you to read an article which was published yesterday and the headline goes as follows, I'm referring to this article, big tech spending more than ever in AI and it is still not enough is the headline. And Meta, Alphabet, Microsoft and Amazon also said they will increase spending in 2026.
- So I think that there's no doubt that this spending and this investment in data centers and this AI boom is going to continue for some more time. Investments which are being announced right now will fructify after, say, about a year or so. The actual investments for power plants and everything will take place. Our OEM customers are already talking about '27-'28 and increase of demand, increase of capacities, talking to us about further demand, further capacities for '27 and '28, forget about '26.

So I would say that while we obviously would be always keeping an eye on the market, at this point of time, we are really focused on execution and staying very closely connected to our customers and making sure that we deliver what is required by the market. This is what we're doing right now. The second question you had was on margins, right?

Mohit Surana: No, sir. So I'm yet to ask, sir. So with respect to the first question, sir, I mean we have guided for a revenue of around INR 20 billion for FY '27 versus INR 18 billion for FY '26. Is it fair to say this is on the conservative side?

Nikhil Kumar: I said minimum INR 2,000 crores next year, minimum INR 20 billion next year. But I also mentioned to you that right now our order inflow rate is running something like INR 550 crores per quarter. So that gives an indication that we're going to be somewhere around INR 2,000 crores, INR 2,200 crores next year at the minimum level. So there is an upside potential on top of this and we will only guide and project what we can do for sure. And as and when the upside potential materializes, we will announce it to the market.

Mohit Surana: Got it, sir. Sir, last question with respect to the cash conversion. This time our CFO to EBITDA conversion has been less than 10%, similar to same period last year. Just wanted to have an understanding will this reverse course going forward and what was the reason for low EBITDA conversion?

Nikhil Kumar: The reason is obvious, right? We are ramping up our production so rapidly and we need to buy a lot of material and we are ramping up 30%. So we need inventory, we need to buy material and that's what we're doing. So in a period where you have flat sales or low growth or even declining growth, that's when you start having very strong free cash flow. But at this point of time, all our retained earnings are going back into inventory because of buying more material.

And if this growth rate continues, we will continue to grow our business and you need working capital. And while we're not borrowing from the market, obviously we are using our own funds for working capital. It affects the cash flows for a short period of time. And as long as we have this high growth, I don't see us generating huge amounts of free cash flow, but it may change in the future if the growth rate tapers off.

Moderator: The next question is from the line of Sandeep Tulsiyan from Sundaram Alternates.

Sandeep Tulsiyan: First question was on the overall order inflows that you're seeing. Now you're touching roughly INR 550 crores of quarterly run rate in inflows. Were you planning further capacity expansion? How do you envisage this number going forward?

Nikhil Kumar: I just spoke about capacity 2 questions ago so I'm not going to repeat it again.

Sandeep Tulsiyan: So the idea is to just understand how are you thinking of this number moving forward of, let's say, INR 550 crores growing by 25%, 30% going forward? And are you being selective in booking orders because there are just much more orders than what you can service over the next 2 years? Or you will rather find ways to expand capacity and just taking whatever orders come in and the growth can continue in excess of 20%, 25% or so?

- Nikhil Kumar:** Yes, obviously that is the answer. We're not going to be selective. We are here to grow our business. We have a third plant. We have space in the third plant to expand. We have -- our buildings are larger than what we need right now. We have space within the existing buildings to grow. We have empty land where we can double what we have already created. And we are here to grow our business. We're not here to be selective.
- Sandeep Tulsian:** Got it. Second question was on the OEM relationship that you have. Are there any further new relationships that you're developing in the US or it's more from rising demand from existing relationships that's driving this order inflows?
- Nikhil Kumar:** Yes. In the US, even overall worldwide if you look at the large players, it's a highly concentrated market. There's a lot of concentration of power from the prime mover side. There are just 4 or 5 companies that dominate the entire worldwide market for gas engines and gas turbines. And we are working with all the big ones except for one.
- Sandeep Tulsian:** Okay. So they will continue to outsource the generator part and are there any plans of any of these large OEMs to do some portion of these generators in-house as well?
- Nikhil Kumar:** No, of course not. Why would they do that?
- Moderator:** The next question is from the line of Aniket Jain from YES Securities.
- Aniket Jain:** I just had 1 question on data center. So data center is seeing increasing traction in India as well. So are you seeing some kind of inquiries or any increase in inquiries from Indian data center players? And what kind of addressable market would be there in India for you? And probably another one would be whether Indian market will rely more on the diesel engines or more on gas turbines? So what would be your sense on that? And that's it from me.
- Nikhil Kumar:** No, actually we hear something in the news, but we don't see any actual ground level, I would say, investment taking place for large AI data centers or something server farms in India right now. Diesel is not an option. If you're talking about 100 megawatt, 150 megawatt per site, it's not an option. You can't run those things with diesel. What kind of fuels will be used as an alternative? You can't use renewables so gas is the only solution.
- How are we going to get gas into India? How are we going to make sure gas is available for power generation for data centers is a question mark? And until that problem is solved, I think the investment reemergence for data centers in India would be a big question mark I feel because they are so power intensive and you need reliable power, you need 24/7 power, you need clean power. So I think that problem has to be addressed and we don't really see clarity on that right now.
- Moderator:** The next question is from the line of Abhijeet Singh from Systematix.
- Abhijeet Singh:** Congratulations on a very strong set of results. First question is on the peak revenue that we can achieve from the current capacity and what is the current capacity in terms of megawatt? And in a typical data center, let's say for export application in US and Europe, is that the case that every

data center is going for gas as their main power source? So if you can give a rough split between different data centers using different power sources of energy.

And in a typical project for data center, what is the cost of a generator as a percentage of overall cost of the project? And lastly, sir, if you could talk about competition in the international space that we face and how are we placed in terms of competing with the other larger players across the globe and where the competition is currently?

Nikhil Kumar: I don't know. I can't keep track of it. I mean it's difficult for me you have asked so many questions. I mean it's hard for me to answer everything because -- so just in general. I mean data centers run in Europe and in the US are primarily being fueled by gas and they can be either used for primary power or for backup power or both, right? So you could have gas turbines and gas engines for primary power and you will have a similar amount for backup power.

The economics of the data center is beyond my scope. I don't know. I don't know what is the percentage of generator in the overall data center cost because it varies on what kind of configuration and it varies on lots of things. So I don't have an idea about that number. And then what were your other questions? I mean you asked so many questions. I'm sorry, I lost track.

Abhijeet Singh: Sir, the first question was the peak revenue that we should achieve from the capacity and what is the capacity right now?

Nikhil Kumar: That I already answered. See, I already answered this capacity question. The first question which was put to me. I already answered this capacity question. So I'm not going to keep answering it again and again and again. Please forgive me.

Abhijeet Singh: Sure, sir. And lastly, sir, the competition that you face in the international markets. If you can talk about...

Nikhil Kumar: The competition that we faced in international markets. In the generator business, our competitors are large multinational companies, all the big names are there. And we have certainly our own -- I mean people have advantages coming to us. We have a lower cost. But everyone has a lot of business, everyone is full. So I think that right now, the situation is that those who have capacity, those who can deliver faster are getting more business.

Moderator: The next question is from the line of Deval Shah from 360 ONE.

Deval Shah: First question is any update on the large generators of 50 megawatts to 150 megawatts where you are setting up the design center in U.K. So any update on that front?

Nikhil Kumar: Yes, we have an update. This machine will be offered to the customer by end of December, early Jan. And once the testing is complete and the qualification is complete, we expect to start getting larger orders by second half of '26 and it could be another big business or it will be another big business for TDPS. If this works out well, multi-hundred crores opportunity is there in front of us.

Deval Shah: Understood. So this would be in that 50 megawatt to 100-megawatt range?



Nikhil Kumar: Yes.

Deval Shah: And sir, second on the traction motors exports opportunity. So we were securing some orders in US, Europe. So any update on that front? Any new orders or opportunity we are looking at and ramp up in second half of '26 or FY '27?

Nikhil Kumar: No, we're not looking at any new opportunities and the status of the existing projects I already mentioned it during my earnings call speech. So forgive me, I'm not going to repeat it. Please get back to the earnings call speech, it's written over there clearly what I said.

Moderator: The next question is from the line of Ganeshram from Unifi Capital.

Ganeshram: Nikhil and team, congratulations on your performance. Indeed, I can imagine how tough it would have been to execute. I just have 1 bookkeeping question and maybe another strategic one. The bookkeeping question, if you can hear me clearly, is I just want to understand on a constant currency basis, maybe Varalakshmi can take this, but I mean this quarter's top line was INR450 crores, comparable period last year was INR300 crores. So on a constant currency basis, what would have been our revenue this quarter?

Nikhil Kumar: I don't think we've done that calculation, Ganesh.

Ganeshram: Okay. No problem. I'll follow up with you later on that. And okay, that will be it.

Moderator: The next question is from the line of Pritesh from Lucky.

Pritesh: My question is on the hydro generator side. Is there any comments on the market? Is there any comments on the pickup in the hydro generators India, internationally, if you could give some comments there?

Nikhil Kumar: Yes. Vinay, could you please take this question?

Vinay Hegde: Yes. So already Nikhil told in the opening meeting. So we are getting very good orders and mainly from the outside India market. There are 2 big markets, which is Nepal and Vietnam. And in India it has not picked up really, but there are a few projects in India, but there are some refurbishment jobs going on in India. Those are government jobs and we got 1 order in the last quarter, which we have already mentioned. But as Nikhil said in the beginning, we are going to have one of the best years for the hydro segment business FY '27.

Pritesh: Okay. This best year, is it linked to activity in India or a large activity in India?

Vinay Hegde: No, it is all outside India.

Pritesh: Outside India. Any activity that you see happening in the PSP pumps, PSP hydro projects?

Vinay Hegde: Yes, it is happening, but those are larger capacity machines. So pump storage, those are huge larger capacity machines. We are not really in that segment. We are mainly into the power generation segments.



Nikhil Kumar: [inaudible 0:32:00] 100 megawatt, 200 megawatt.

Vinay Hegde: Does it answer your question? Okay.

Moderator: The next question is from the line of Prathamesh Rane from Elara Securities.

Prathamesh Rane: Congratulations on a decent quarter. Just 1 question from my side. Like India has a hydro evacuation plan of 6.6 trillion odd from CY '25 to '27 per se. Do you see any opportunities in that space? Hydro density. So India wants to evacuate like some gigawatts from the Brahmaputra Basin. So are you seeing any traction like what sort of...?

Vinay Hegde: As I told you, these are all large hydropower plants and we are in medium hydropower plant segment that is up to 50 megawatts. And this is what you're talking about, Brahmaputra, these are coming under the large power plants, we are not in that segment.

So whatever is there in India, there are some projects coming in the range of 10 megawatts to 20 megawatts where we are very much there and we have got some of the orders, but it is not to the extent of what we expect. But if you see in the total sales of hydro business, the contribution from the Indian market is less than 10% of our total turnover in hydro.

Moderator: The next question is from the line of Salil Desai from Marcellus Investment Managers.

Salil Desai: Nikhil, my first question, in your opening remarks, you mentioned about the US trade deal that could kind of be a little more positive for you. Does it mean that the INR2,000 crores minimum revenue is if the deal gets done or if the deal gets done, you could do far, far higher than that?

Nikhil Kumar: The number that we have put on the table is given things will not change because we also believe that if things don't change between India and the US and a lot of customers will go for the Turkey option that we already placed in front of them.

And that's what they have also told us that in case the India trade deal does not materialize by end of December, then a lot of production for us will start getting shifted to Turkey and they have accepted that plan that we have offered to them.

So people are waiting. So number that I put INR 2,200 crores will be on the basis of the current status. If we have a good trade deal with something like 15% to 20% import duties, then I expect this our business to go further up.

Salil Desai: All right. And second is on supplies to the Middle East and especially on the API compliant or on the API certified products. In the current quarter, you had one of the first supplies to ADNOC, right? So is this a part of that ramp-up or you think that there's more to go before you see Middle East really scaling up in terms of what revenues you do from that region?

Nikhil Kumar: Vinay, you can answer this question. I believe it's very early stages...

Vinay Hegde: This is the first order we have got from the oil and gas segment from ADNOC. So the first machine has been built and it has been tested and cleared for dispatch. And there are a couple of

more machines coming in the quarter 3. And we have also got 1 more order, which is a new order, which for execution it will be coming in the next year.

See, now we are approved by ADNOC and it depends on the success of the first machine and successfully the first machine has been tested and cleared by them. And there are a lot of initiatives we have already taken. This segment definitely is going to increase because this first reference what we are going to have.

Salil Desai: And typically, after the first delivery, it would take, what, 12-odd months before you think that...

Nikhil Kumar: Yes. This ramp-up is not going to happen overnight. Basically any ramp-up with any new market, any new customer takes 2 to 3 years. So we have put the initial machines in, they have to work.

We already started getting orders even though the first few machines are not yet fully commissioned, but the real ramp-up takes place after the first few units are commissioned and the customer is happy. So that will take 6 to 8 months.

Moderator: The next question is from the line of C.A. Garvit Goyal from Nvest Analytics.

C.A. Garvit Goyal: Congrats for a good set of numbers. I have 1 question. I just want to understand more on our target addressable market from here and the sustainability of demand for our products because our growth trajectory is upward in last 3 years that we understand. But if I look at a bit longer history of 10 years, our sales has grown by 3x only.

So can you please spend some minutes on explaining like what exactly has changed for us in last 2 years like what are the key areas from where we are getting the demand and how sustainable it is? And why only TD Power, sir? What is the edge here because of which the large export orders are coming to us? So that's my first question.

Nikhil Kumar: We have been building up our TDPS brand name in the international market since 2012, '13. And it's been a long road, a long hard road for the company to establish its product into international markets. Acceptance also was very slow during the initial years and it's only, say, around 2018-'19, '19-'20 that we started seeing the acceptance of our products increasing in the international markets.

And now we're seeing it's like a hockey stick curve where you suddenly see that there's more acceptance and then we get on the approved vendor list for larger projects, more prestigious projects, larger customers, and that's how you build up the market share.

So we are offering high quality product at very competitive prices to our international competitors and basically we are in a situation where we are addressing a larger part of the market. In terms of our overall scope to grow, we have still something like single-digit market share on a global basis.

So we have a lot of potential to grow. And in this current environment where all generator manufacturers, at least all the big major generator manufacturers worldwide are full, I think it's

a great opportunity for us to actually get more market share because we have taken the decision to put up the third plant new capacity where we know that our competitors have not done that.

So they're well behind the curve in terms of adding capacity. So we are in a situation where we've been really aggressive to take more market share. And I think that this is one of the key reasons why we're seeing a big increase in our orders because we have the capacity. And today, the market is in a situation where they are hungry for capacity. And the decision that we took last year to put the plant has been the very correct decision for our company and for the shareholders.

C.A. Garvit Goyal: Got it. And sir, just a follow-up. You mentioned about the market share. So can you give some rough idea like what is the relevant TAM as of now and how fast is it growing? Because competitors will also -- like right now they may be are behind in terms of the capacity, but they must be doing the capex, right?

Nikhil Kumar: Yes, they do the capex and it may take a little bit of time for them to get ready, but we would entrench ourselves. And it's hard then for anyone to push out a competitor who's offering high quality products, the same quality products or better quality product at lower prices. It's hard to push you. It's hard to push a competitor like that out of the way. So as I said, we have single-digit market share still worldwide and we have a lot of space to grow and we will grow.

C.A. Garvit Goyal: Any rough idea of the TAM?

Nikhil Kumar: I'm going to give my guidance year-on-year basis.

C.A. Garvit Goyal: No, sir, actually I was asking about the market size not the guidance on a year-on-year basis.

Nikhil Kumar: Yes, I think that we should have a one-on-one investor meet for an hour to look at the entire business. These are not the kind of questions to be asked on an earnings call. Forgive me, please, but these are not the kind of questions for an earnings call. If you have interest in our company, please contact our Investor Relations team and we'll be happy to give you a complete presentation about our business.

Moderator: The next question is from the line of Himanshu Upadhyay from Stanford Investment Managers.

Himanshu Upadhyay: Congrats on the good set of results. See, 1 question, which was last quarter a lot of discussion happened was on scaling up of operations in Turkey and transferring some business of US to Turkey. Any updates on that front you would like to give? Means in the intermediate till the deal gets done or does not happen, are you getting more manufacturing done in Turkey or manufacturing currently is only in India?

Nikhil Kumar: No, we are prepared, Himanshu. We are prepared to do that. So we have used the past few months, last 3 months, to prepare ourselves to create and there's a certain amount of cost also which is going to come; not a very big amount, but there's going to be a certain amount of cost which is coming to being prepared for the worst-case situation where India and US don't have a trade deal by end of this year.

And then the Turkey facility will be used for the US market for all our direct exports to the US market. So we're preparing ourselves for that is all I can say. We have offered this solution to our customers. Customers have accepted the solution. But our -- customers and us are hoping that we will have a trade deal with the US by the end of this year and they don't have to buy this machine through Turkey.

So that's where it is. So at the moment, everyone is just keeping the status quo. Right now the business is such that there is extreme high demand situation and people are paying 50% duty. I don't believe it is sustainable beyond next 6 months or so. And if we don't have a trade deal, then we will fall back on Turkey and that's what our customers also have told us. So that's where it stands.

We have plan B in place. And it could be that we do have a trade deal by the end of this year, in which case, the Turkish facility will be -- whatever money we have spent to be prepared will not be in place. So it's not a big amount of money, it's like INR 1 crores or INR 2 crores.

Himanshu Upadhyay: Okay. And the second question was we had spoken about a large generator development of 40 megawatt, 45 megawatt with deliveries in FY '26 and expected large potential in FY '27 onwards. Can you give some update on that? And some of the orders when we see in Q2, which are 50 megawatts and 60 megawatts. So are those...

Nikhil Kumar: Those are one-off orders so those are not the ones that we are targeting. The ones -- I had given an update about 2 or 3 questions ago that this machine is going to be offered to our customer in end of December and January will be after qualification. It's a multi-hundred crores opportunity for TDPS. If everything goes well, we will report to the market, say, maybe in February what the status is, next earnings call and when the business is going to pick up and how we see the track for this business. As I said, it's a multi-hundred crores opportunity and we are extremely focused on making that happen.

Himanshu Upadhyay: And this is the same as what we have spoken in annual report of 40 megawatt to 45 megawatt with delivery starting in '26 or it's a separate business.

Nikhil Kumar: Correct. Yes, that is the same one. It's a 2 pole generator for larger gas turbine. And then there's another larger -- one size higher gas turbine, 60 to 70 megawatts, which we are also targeting. And so first, we'll do 40 to 50 and then we'll do the 60 to 70 after that.

Moderator: The next question is from the line of Balasubramanian from Arihant Capital.

Balasubramanian: Congratulations for a good set of numbers. Sir, for Energy Dome CO₂ battery project, our role is for only forward supplying or is there any potential for deeper technology partnership or IP sharing? And secondly, CO₂ what is the addressable market for long duration energy storage side and what is our scope of work over next 5 to 10 years, especially for generator side?

Nikhil Kumar: Vinay, please answer this question. I think Vinay may have some connection problems. We are in this energy dome CO₂ storage. We are supplying the generator and there's also a large motor. So we're supplying the generator and the motor. We're not interested in getting into any further

scope on these projects. One of our very close long-term customers is deeply involved with this and we will supply to them.

Balasubramanian: Okay, sir. And sir, we are shifting US-bound production to Turkey to mitigate tariff impacts. So what is the quantified operational logistics cost associated with this shift? And especially for the gas segment, I think you mentioned about 50% of cost arbitrage over European or Japanese competitors. This arbitrage is sustainable if raw material cost prices or if European competitors also move production to low cost regions.

Nikhil Kumar: The first question regarding the Turkey facility, I will give the updates next year in the next earnings call in November. By that time, everything is going to be clear. So I think I'm not in a position to give you any further updates other than what I've already spoken right now.

Regarding the cost arbitrage with our international competitors; yes, if they do manufacture in India, the cost arbitrage will come down. Then it would be their Indian factory versus our Indian factory, their overheads versus our overheads, who has the lower cost structure. And definitely, if people put up large manufacturing facilities in India to compete against us, our situation will become more competitive. That's for sure.

Moderator: The next question is from the line of Ashwani Sharma from Emkay Global Financial Services.

Ashwani Sharma: Congratulations for a great set of performance. Nikhil, basically wanted some inputs on growth in the domestic market. You did allude it in your opening remarks, but some more granularity will help us in this.

Nikhil Kumar: The Indian market is for us occupying and getting to be a smaller and smaller percentage of the overall business. It's also a single dimensional market in turbines. Whereas in international markets, we deal with multiple fuels, multiple prime movers, hydro, gas engine, gas turbine, geothermal.

So we have far more applications and we're dealing with multiple OEMs all over the world. Indian market, as I mentioned to you, is growing at around 10%, 12% per year and it's a steady growth. It's a healthy situation, but that's where it is. I don't know what further information I can give you, Ashwani, but what exactly would you like to know?

Ashwani Sharma: No, that's helpful. Secondly, on your revised guidance, what would be the breakup in terms of generators and motors now?

Nikhil Kumar: The motor business will still remain around INR 150 crores. The rest will all be generators.

Ashwani Sharma: Okay. Thirdly, just a bookkeeping question. If I look at the employee cost, this was up by around 35% during the quarter on a Y-o-Y basis and 11% on a quarter-on-quarter. So I understand there's a commissioning of new facility. So this will be the run rate going ahead?

Nikhil Kumar: Further increases may take place. It is not just that we are not increasing the capacity or adding people for the third plant, but we have also -- if you have been noticing, various updates have been given to the exchange from the company. We have also been hiring at the top management

level. And we'll continue to keep hiring at the top management level because we need more management capability also for the larger operations.

- Moderator:** The next question is from the line of Rucheeta Kadge from I-Wealth.
- Rucheeta Kadge:** Sir, my question was on the sales side. So if you could give a bifurcation of how much was export and how much was domestic sales for us during the quarter?
- Nikhil Kumar:** Varalakshmi, can you give export/deemed export sales? I don't have that number with me right now compared to domestic.
- M. N. Varalakshmi:** So the exports was 66% for H1.
- Rucheeta Kadge:** Okay. And on the capex part of it, right? So on the CWIP, we have around INR50 crores. So this quarter have we commissioned some part of the plant or it's going to come from the next quarter?
- M. N. Varalakshmi:** It will come in the next quarter.
- Nikhil Kumar:** Yes. Q3 is something like 30%. So already we have commissioned something like 30%. We have 3 large sheds over there. One is completely commissioned. Second one will be commissioned by end of November. Third one will be commissioned by end of December. The plant will be fully commissioned by end of December and will be in full operational capability in middle of Jan.
- Rucheeta Kadge:** So in this quarter, the new plant was not commissioned, right?
- Nikhil Kumar:** It's commissioned, it is running -- partly running. So 33% is completely operational, 3 shifts a day.
- Rucheeta Kadge:** In September '25, 33% of the new plant was commissioned, right?
- Nikhil Kumar:** Yes, yes. I would say not exactly September. I would say maybe partly September. In October, you can say it is fully operational. That 33% is fully operational in October.
- Moderator:** The next question is from the line of Kiran D from TableTree Capital.
- Kiran D:** Congrats on a very good set of numbers and continued growth, Nikhil. Couple of questions, 1 business, 1 financial. On the business side, I know we are laser focused on the large execution in gas turbines and gas engines apart from super traction on other lines of business.
- On the motors, which is probably more sustainable beyond data centers, right, are we continuing to focus on growing motors to a substantial part of our portfolio to INR 500 crores or has that taken a backseat given the data center demand and obviously the people bandwidth?
- Nikhil Kumar:** No, we have a separate team for the motor group. It's a separate group of people. It's a separate -- also separated out the production facility for the motors. They have a different focus and their focus is definitely to grow this business to INR 500 crores and so we are not taking our attention

off that. So as I said, the groups are separate, they have the separate targets and they are focusing on their own business.

Kiran D: Got it. Okay. And do we see that large traction coming in for motors, Nikhil, or not yet and it's still in a ramp-up phase and will take a couple of years before starting to ramp up?

Nikhil Kumar: It's still very much in the initial stages, ramp-up stages. It will take a little bit more time. But yes, you're right. If you look from -- you're totally right. If you look from a 5-6-year perspective, we have to grow this business and we will grow it.

Kiran D: Perfect. That makes sense. Second, on the financial question, Nikhil. We have grown quite substantially, right, from INR 1,000 crores sales over the last couple of years. Now we will probably reach INR 1,800 crores and probably much more than INR 2,000 crores next year. I understand your previous answer on focusing on market share so the 35% gross margin makes sense. But we are still not seeing the improvement into EBITDA, right? So are you kind of seeing through FY '27, do you see the EBITDA margin moving to 20% plus or you still don't see that coming through?

Nikhil Kumar: I see it, I don't want to give a commitment on it, but the plan is to get there, okay? Because if the third plant is running at full capacity, the ramp-up has taken place, the costs are fully absorbed, running at full capacity, we will get there. So I mean we will discuss that in more detail in February next year. But most certainly, that is the goal of the management.

Moderator: In the interest of the time, we will take the last question from V.P. Rajesh from Banyan Capital.

V.P. Rajesh: Congratulations on excellent numbers, Nikhil and team. Just 2 quick questions. Any update on the railway business? And secondly, on the order book that we booked this quarter, how much was domestic versus export?

Nikhil Kumar: Rajesh, I answered both the questions in my earnings call speech, but since this is the last question, I'll repeat it. Railway business update is too long. I mean I've already given it so I'm not going to give it once again. What's the breakup, Varalakshmi, of the order inflow? Order inflow of H1, I think export is 74% and domestic is 26%. Correct, Varalakshmi?

M. N. Varalakshmi: Correct, sir.

Moderator: Ladies and gentlemen, that was the last question for today. I would now like to hand over the conference to the management for closing comments.

Nikhil Kumar: Thank you very much for all the questions and I look forward to seeing many of you during one of the many upcoming investor conferences in November. Thank you very much, all of you for your time and look forward to seeing you in person in the future. Bye-bye.

M. N. Varalakshmi: Thank you.

Moderator: Thank you. On the behalf of TD Power Systems Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.