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August 18, 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**

Dear Sir/Madam,

SUB: TRANSCRIPT OF EARNING CONFERENCE CALL – QUARTER ENDED JUNE 30, 2026.

In furtherance of our letter dated August 03, 2026 regarding intimation of earnings conference call, the transcript of Q1 FY 2027 earning conference call held on August 12, 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
Digitally signed by BHARAT RAJWANI
Date: 2026.08.18 12:39:33 +05'30'

Bharat Rajwani
Company Secretary & Compliance Officer

Encl: A/a

"TD Power Systems Limited
Q1 FY '27 Earnings Conference Call"
August 12, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchange on 12th August 2026 will prevail.

MANAGEMENT: **MR. NIKHIL KUMAR – MANAGING DIRECTOR**
MR. DEEPAK KUMAR SINHA – CHIEF EXECUTIVE OFFICER
MS. M.N VARALAKSHMI – CHIEF FINANCIAL OFFICER
MR. VINAY HEGDE – GLOBAL HEAD- SALES & MARKETING

Moderator: Ladies and gentlemen, good day, and welcome to TD Power Systems Limited Q1 FY '27 Earnings Conference Call. 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 expectations 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. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to questions after the presentation concludes. Should you need assistance in the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

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

Nikhil Kumar: Good morning and thank you for joining us on this call today to discuss the financial results of TD Power Systems Limited for the quarter ended 30th June 2026. I trust all of you would have received our results and investor presentation. Now I'll discuss with you the financial performance of TDPS for this quarter ended 30th June.

Standalone, our total income for Q1 on a stand-alone basis was INR6.3 billion versus INR3.63 billion over the same period in the previous year, an increase of 74%. EBITDA for the quarter is 19.34%, including other income, excluding exceptional and treasury income versus 18.7% over the same period in the previous year.

Profit after tax and comprehensive income for the quarter is INR853 million versus the profit of INR471 million for the same period in the previous year, an increase of 81%. Order book for the Manufacturing segment is INR22.08 billion, out of which INR19.29 billion is the generator and motor manufacturing business, INR2.11 billion is railway business, spares and aftermarket is INR0.22 billion and INR0.46 billion is the Turkey business.

Export and deemed exports, excluding railway order for both domestic and exports is 57%. Order inflow statistics. Order inflow during the quarter is INR7.34 billion, an increase of 87% on a Q-on-Q basis. Order inflow from direct and deemed exports is INR6.84 billion compared to INR2.57 billion, 93% of our quarterly order inflows, exports by 7% is domestic.

Consolidated, our total consol performance for Q1 is sales of INR6.43 billion versus INR3.76 billion, increase of 71%, and profit after tax and other comprehensive income for the quarter is INR860 million versus a profit of INR500 million, increase of 72%. We continue to maintain a strong cash position of INR2.4 billion.

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

Despite differing views on the sustainability of this buoyancy in the media, the ground reality is that there is a tremendous shortage of power generation equipment, specifically in gas turbines, gas engines, transformers and generators. The forecast of demand at the moment are very strong and TDPS is taking the position to maximize the order inflow and on the capacity side, we are focusing on efficiency as well as debottlenecking to increase output for FY '28.

We will most likely go in for another round of capacity addition for generators below 100 megawatt [inaudible 0:04:10] design. We'll inform the market about these investments and plans in the next earnings call since we are still in the process of assessing which products and which capacities need to be enhanced.

As mentioned above, at the moment, we have sufficient capacity for FY '28 around INR22 billion. Although we will do some debottlenecking with investments around INR500 million.

Next, we're looking at what we should be doing for FY '29 and FY '30 to move the capacity to INR40 billion and above. Regarding the opportunity in the large generator segment, we are close to signing agreements with the relevant parties and we will inform the market growth probably in the month of August about these unique opportunities. These opportunities are over and above the current business of the company, which is generators below 100 megawatt.

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

Gas engines and gas turbines. This growth is -- still continues to be massive and rolls on without pause. As mentioned in the investor presentation, we're getting large volume orders and forecast for the next year continue to show strong upward growth.

Hydro, we have a busy year ahead of us. This year will be one of the highest for TDPS in hydro. TDPS is very active in the refurbishment business in India and abroad. This segment will result in some high-value orders for TDPS in this quarter.

Motors, remains a key area of our business and teams are working on increasing the footprint. In railways, we are not taking any fresh orders in this segment and we will review the sustainability of this segment at the end of this year. Once the Indian railway contract is completed, the production spacing capacity that we have will be used for generator and motor products.

Guidance, we revised our guidance for FY '27 at INR2,600 crores with a small chance that we may even cross this number. This brings me to the end of my initial remarks. I'll now be happy to address any queries that you may have. Thank you.

Moderator: Thank you. The first question comes from the line of Mohit Surana with Monarch Networth Capital. Please go ahead.

Mohit Surana: Sir, first of all, congratulations on the great set of numbers. You continue to out beat the Street expectations. Sir, my first question is with respect to the peak revenue potential without incurring any new growth capex. Last time you mentioned we can reach somewhere around INR3,000 crores of top line. At this point, do you think we can exceed that using our current base? That's my first question.

Nikhil Kumar: I would rather look at it how we are gearing up to meet the demands of the market I mean, matching our capacities on a year-on-year basis, which we expected demand from the market. So, as I mentioned in my earnings call speech a few minutes ago, we expect we are building our capacity with some debottlenecking for INR32 billion next year. That's the capacity we would like to have plus/minus.

And then we certainly need to make another round of capacity additions for FY '29 and '30 and then we'll be looking at how do we create the capacity beyond INR40 billion. But for that,we would provide more details in the next earnings call.

But this is the direction in which we are going in right now and we need to be careful about which products, which capacities, what kind of capacity, how to make them fungible across different businesses that we have and so, there's the details, a lot of analysis going on right now. We need another 3 months' time to finalize our plans. But as I said, this is the direction in which we are going and we are aligning our capacities with the market demand.

Mohit Surana: Understood, sir. Sir, just one more question as a follow-up. So, the larger capacity generator manufacturing, can you give us some understanding of the TAM of this market, say, beyond 100 megawatts compared to what we are currently, below 100 megawatt? So just in case, I mean, how big is that compared to the current segment that we are in currently?

Nikhil Kumar: No, it's a very large segment. I mean, I don't have the exact market size information now with me, but it's a very large segment. It's dominated by very large players. And I can't give you any further information right now.

As I said in the earnings call speech, we will be announcing something in the month of August. And once we make the announcement, obviously, at that time, I will have to answer all these questions. And then once the details of these things are out in the market, we will definitely provide more information.

Moderator: Next question comes from the line of Nishita with Sapphire Capital.

Nishita: Yes. So, my question is on the order book. So, we've had a very good order book growth Y-o-Y in Q1. So just wanted to understand what will our closing order book look like? What sort of growth can we expect in the order book for the full year?

Nikhil Kumar: Yes, we are expecting around INR700 crores per quarter. So, we will be somewhere in between.

Nishita: Okay. Per quarter order inflow.

Nikhil Kumar: Yes, something like INR2,800 crores plus we'll have for the whole year, order inflow.

Nishita: Okay. Understood and my next question is on that earlier you mentioned that by doing the debottlenecking of around like which will require capex of around INR100 crores, we can reach the revenue potential of INR32 billion in FY '28?

Nikhil Kumar: Yes.

Nishita: So, when we expect to incur this capex? Like have you already started the capex?

Nikhil Kumar: Yes. That's an ongoing process.

Nishita: Okay. So, what sort of total capex do we anticipate in FY '27?

Nikhil Kumar: INR50 crores.

Nishita: INR50 crores. Okay. And with this debottlenecking, like, do we expect in FY '28 we'll have around INR32 billion of revenue? Or can we see some upside potential to that also?

Nikhil Kumar: Yes. I mean, it's not a hard and fast number. If there is an upside potential, we will have to find ways to make it happen and we'll make it happen. So, it's not written in stone that it is 3200 and it ends over there. If it goes to 33, then we do 33. It goes to 34, we do 34, but it's around that number.

Nishita: Okay. Okay. Understood and my last question would be on you mentioned that in FY '29, we'll do fresh capacity expansion, which will take our capacities to around INR40 billion. So, do we expect like, when can we reach that INR40 billion number?

Nikhil Kumar: Look, Nishita.

Nishita: Are we going to start that.

Nikhil Kumar: I've tried to make this as simple and clear as possible. So, I've said that we are going to invest INR50 crores to have a capacity of around INR32 billion for FY '28 and I've said that in 3 months' time when we have the next earnings call, we will give an indication what kind of investments we need to gear up to meet the demand for FY '29 and FY '30, which we would be looking at taking the number to around INR40 billion-plus. Now which specific year is going to happen, and I can't say that right now. But that's the direction in which we are going in.

We can't write anything. It's a dynamic situation. We're looking at things which are going to happen 2, 3 years from now, right? So, we have to have flexibility in the plan. and so, we have to be open to see how the market develops, which kind of products are going to be dominating the demand situation, align ourselves to that and be flexible. Nothing can be written in stone about what's going to happen in '29 and '30 in FY '26. That's not how it works.

Moderator: Next question comes from the line of Soumil Jain with Lucky.

Soumil Jain: Sir, I wanted to understand, you spoke about pricing increase last quarter. Have those been put in place this quarter already?

Nikhil Kumar: We have contracts with our customers where we have price variation clauses and wherever we have price variation clauses, those have been implemented, yes.

Soumil Jain: Okay. Okay. So last quarter's gross margin, I mean, we see improvement from the last quarter's gross margin that is reflective of the pricing uptick or the price clauses that you're talking about, right?

Nikhil Kumar: Look, I can't tell you we have guided in the last call that we will maintain our approximately plus/minus 1% here and there, we maintain the gross contribution margin for the company. So, part of it will come from price increases, part of it will come from cost reductions, part of it will come from product mix. Part of it will come from exchange rate gains. So, I can't give you the exact breakup of how much is the contributing factor from each of these things. But overall, the company will be able to maintain plus/minus within a certain tolerable range, the gross contribution margin which we have guided in the market.

Soumil Jain: Understood. Okay. On the revenue guidance for the full year, does that include any revenue from large turbine generators?

Nikhil Kumar: No. Just for your information, it takes within 18 to 20 months to make a large generator like that, okay? So, there's no way it's going to happen in 6 months from now.

Moderator: Next question comes from the line of Gazal Gupta with ASK Wealth Advisors.

Gazal Gupta: Firstly, congratulations on good set of numbers. I just have one question on the margin front. So, we have always guided for 18% to 19% EBITDA margin and in such a global situation as well, firstly, I wanted to understand how we are able to manage and maintain our margins.

As I understand that there would be some impact, which would be coming from the increase in logistic cost etc, which is probably getting offset by higher-margin export orders. So, what would be the quantum of these 2? Just wanted to understand that if the situation improves, can we expect any inch-up on the margin front? So that is my question.

Nikhil Kumar: I cannot commit to that any [inaudible 0:17:30] How we hit, I have already kind of answered in the last question. There are a number of factors that drive margins. One is pricing, one is cost reductions, one is exchange rates, raw material prices, and then there's also EBITDA margins, also dependent on the factory loading capacity utilization. So, there are a number of factors that drive this and as a management, we need to have certain levers that we can work on to achieve the numbers that we commit to the market. Now how much of it is going to contribute to each of these things, sorry, I'm not in a good position to answer that.

Moderator: Next question comes from the line of Alisha Mahawla with TRUST Mutual Fund.

Alisha Mahawla: Congratulations on great set of numbers. Just wanted to refer to something you mentioned in the opening commentary that while demand is exceedingly buoyant, on ground, there is a shortage of our equipment and there are some delays. Also considering the current geopolitical issues, there is a little bit of supply chain disruption.

So, are we seeing the impact of that in any segment, any market and any steps you are taking to ensure that it doesn't delay us? While you're sounding very confident to achieve the guidance, it would be helpful to get some qualitative colour also.

Nikhil Kumar: Yes. We don't see any disruption in our order inflow. From the market side also, we see no let up in the demand situation. It's the forecast that we have from our customers is still extraordinarily strong, continues to be so.

We are always in very, very close contact with all our customers since there's huge amounts of co-dependency that we have with each other. So, it's very important that we stay very deeply connected with them.

And deliveries and capacities is always the number 1 and number 2 topics on the agenda when we meet these customers. At the moment, whatever guidance's that I have provided to the market are guidance's that we will be able to achieve.

And upside potential or whatever will be announced as and when we see that actually materializing. So, I have not yet given the guidance for next year, for FY '28. I only said we're building up a capacity for that.

And I have not yet given the guidance for FY '29 and '30. I've only said we're building up the capacity in that direction. But I think when we take certain decisions to add capacity and when we gear ourselves up to a certain capacity number, it provides an indication of which direction we are going in. I think more than that, I can't really say.

Alisha Mahawla: But really segment or order is probably facing any kind of slowdown because of this shortage or because of shipping-related delays, because there are projects.

Nikhil Kumar: No, I don't know how shipping delays will cause disruptions in the demand situation. So…

Alisha Mahawla: No. No. The question is that while the demand is there, and I think we've spoken excessively about it, there is delayed execution on-ground projects are getting delayed, and what I'm trying to understand is, are we seeing a slowdown from execution perspective in any of our segments, in any of our markets?

Nikhil Kumar: All our products are just going straight from factory gate, straight on to ships and going to the U.S. Now they may not be commissioned immediately. It could be execution delays, but all customers are taking the product as ordered.

It is not that all the generators or all the turbines or all the engines are going into only one single customer, one single project who is not able to digest and then he then starts holding back shipments because these are going to multiple sites, multiple data centres, multiple customers and everyone is taking delivery. So, I don't see a problem with this at the moment. Let's move on to the next question.

Moderator: Ms. Mahawla, are you done with your question?

Alisha Mahawla: Yes.

Moderator: Next question comes from the line of Kunal with 360 ONE Capital.

Kunal: Sir, my first question is, would you be able to share out of the current order book, how much actually is contributed by data centres for both gas engines and gas turbines?

Nikhil Kumar: No, we don't give that split-up of applications with our order inflows.

Kunal: Okay. Sure, and sir, my second question is around as data centre campuses move to higher 50, 100-megawatt kind of a configuration, are you seeing customers increasingly talking about combined cycles and if yes, does that meaningfully increase the TAM for TD Power?

Nikhil Kumar: There are noises about combined cycles for sure. and I think there will come a point of time when all the open cycle gas turbines will start moving towards combined cycle. But as Alisha pointed out a little bit earlier, there are execution delays on the data centre side.

So, by the time that these projects are actually go on stream and projects running with open cycle and then they start planning combined cycle, then it gets installed, it could be years from now. It will happen, but my opinion it's not going to happen immediately. It's going to take some time, but it's going to happen.

Kunal: And if and when that happens, is the understanding correct that that will improve the opportunity size for TD Power?

Nikhil Kumar: Yes, naturally. I mean, we work with all the major steam turbine companies in the world. So, we are well connected with them, and we will get a certain proportion of that business for sure.

Moderator: Next question comes from the line of Mythili Balakrishnan with Alchemy Capital Management Private Limited.

Mythili Balakrishnan I just wanted to get a sense of the market share which we now command in the export market. How many have we increased our wallet share with our OEM customers and also, any client additions or anything else that you want to point out in that direction?

Nikhil Kumar: Yes, Mythili, we don't have that number where we can pinpoint that this is our market share. We don't have that number.

Mythili Balakrishnan: And in terms of client addition?

Nikhil Kumar: We don't have any major client additions at the moment. We have a couple of smaller client additions which in the pipeline, which we are hopeful to close in this quarter and of course, all the major clients, major engine makers, major turbine makers, we're already working with them very closely.

So, we don't see a big opportunity to increase client addition, which can dramatically change the business outlook. It's more about cutting deeper with them and more about the market itself having and growing. So that's where our biggest opportunity is going to be.

Mythili Balakrishnan: Got it and in terms of the Turkey subsidiary, could you just indicate what is that thought process on it currently and what are we sort of going to do about it?

Nikhil Kumar: We have about EUR3 million, EUR3.5 million worth of orders for execution this year, and we will execute that EUR3.5 million this year. We don't see a big pipeline for business for next year right now, but the Turkey facility still continues to be like an insurance facility in case we have to do major client for service. And for insurance, you have to pay a certain amount to keep it alive, and it will probably be used still playing that role even next year.

Moderator: Next question comes from the line of Salil Desai with Marcellus Investment Managers.

Salil Desai: I think 6 months back on one of the calls, you mentioned that you guys are looking at the refurbishment opportunity in India. So, if there's been any progress on that, if you could update on that, please?

Nikhil Kumar: Yes. We have won a few hydro refurbishment orders. It's already in the order book for in the last quarter, Q1, and there are a few more jobs in the pipeline for Q2 and Q3, and we are very active in the hydro refurbishment market in India.

Salil Desai: Great and any plans of when will you be in a position to take it global?

Nikhil Kumar: At the moment, we're not looking at taking it global.

Salil Desai: Understood. Second question is going back on some questions on demand. Now in your experience, if you could just kind of give some picture on how elastic is demand to prices or costs given that commodity prices are increasing, metal prices are up, freight costs are up, plus there is a shortage of all equipment in the power value chain and prices are going up there too of the base product? So, when you talk to your customers, do you sense that there could be a point where they might kind of start rethinking the scale of projects or the timing of projects or something like that?

Nikhil Kumar: The power plant forms a very, very small percentage of the overall project cost. If you look at data centres and things like that, it is less than 5%. So, it's the demand elasticity is very high. They need electricity and there's no choice. They they need to have behind-the-meter power generation equipment and they have to pay for it if the commodity prices go up. That market there's no choice.

They need electricity to run the data centres. It's not just data centres; it's also grid stabilization. You need to have equipment for grid stabilization. There is a push towards renewables. There is a certain mix that all utilities have to have in terms of renewables. So, these are all factors that are driving compulsive buying power. You have to do it.

Moderator: Next question comes from the line of Amit Anwani with PL Capital.

Amit Anwani: Congrats for the very strong set of numbers. My first question, again, on this service business. Since the installations are growing so rapidly for you, what's the service revenue contribution and can it scale up in next 2, 3 years?

And if so, probably that can aid your EBITDA margin higher. So why are we still guiding that 18%, 19% if the installations have gone up and probably, we have a better service revenue also apart from the product demand?

Nikhil Kumar: Electric generators don't require service for the first 10 years or should not require service, let me put it this way, for the first 10 years of the operation, if they are well good manufactured, high-quality machines and they are reasonably well maintained, there is almost 0 service potential in the first 10 years. So that's the reason why we haven't.

Amit Anwani: Understood. But what's the proportion now?

Nikhil Kumar: So earlier, the proportion used to be 5%, 6%. And now since the sales, it still remains around 5%, 6% of our overall sales. So, the sales are also growing at 30%, 40% per year. So, our service business is also still growing at that rate, keeping the percentage remains the same of our overall business.

Amit Anwani: Right. Second question on Turkey. So last financial year, because of the tariff uncertainties, we decided because of the advantages we are getting utilized Turkish factory for the exports. So now again, we are hearing that probably there could be more tariff, 100% tariff on oil imported nations. So, what are your thoughts? How are we now thinking and utilizing the Turkish factory amid?

Nikhil Kumar: I don't know, I have not heard about that 100% tariff comment.

Amit Anwani: It's in the media. So, in general, what is your sense now on the factory?

Nikhil Kumar: I don't have an answer for that right now since I'm not aware of this 100% duty. None of our customers have talked to me about it so far as recently as 2 days ago. So, I don't think anyone's taking that trend very seriously at the moment.

Amit Anwani: Understood. But from Turkey, like, you have started selling again? We were cutting down the operations there. So, like, how are we utilizing that factory now?

Nikhil Kumar: I just said 5 minutes ago, it's about EUR3 million to EUR3.5 million of sales for this year. We we don't have an outlook for next year. That facility will still be used as a service backup and it will have a certain cost to keep it alive. It's not a big cost, but it will be there as an insurance for our service for the European market, but we have a big population of machines and that's the strategy at the moment.

Amit Anwani: Right. Lastly, on your capex, you did highlight that INR50 crores investment probably will get you to close to INR3,200 crores by FY'28 Just wanted to understand and probably you are adding capacity beyond that, will it be also driven by the demand, by more customer additions or any other verticals? Or this is the pure-play demand which is coming and that's where you will be expanding because of the demand or there's other thought process also for the capacity expansion over 3, 4 years?

Nikhil Kumar: Partly new customers, partly new products, and partly existing products and existing customers. So, I can't give you the mix, but it is going to be driven by both.

Moderator: Next question comes from the line of Aman Agrawal with Nuvama AMC.

Aman Agrawal: Many congratulations to Nikhil sir and team for the strong set. Sir, this is just a small understanding on larger generators. You're saying it takes 18 to 20 months to make a large generator. So just want to understand, add to this the time to get the plant up and ready, when should the revenue be impacted because of the larger generators? When should we start thinking about additions from that?

Nikhil Kumar: I have no comments. I can't answer any of these questions. I can't unless I announce the exact deal to the market, like what exactly we're going to be doing, unless I come to that stage, I can't answer this question. I'm really sorry. You'll have to wait until we announce it sometime in August and yes, at that point in time, we will have to answer all these questions. These are pertinent questions, but these cannot be answered today.

Aman Agrawal: No problem, sir. And sir, just second thing, on the capex side for the already existing capacity, if I remember right, you are planning to do INR50 crores capex both in FY27 as well as FY28. So just to understand, is there a debottlenecking scope beyond INR3,200 crores as well that you can do in FY28 sometime?

Nikhil Kumar: This is a dynamic situation that keeps changing. Nothing is written in stone over here that we can't change. We have to adapt to the different kinds of demand for different kinds of products, and we have to adapt our capacities to be ready to manufacture what the market wants.

So, if I had said earlier that we need INR50 crores plus INR50 crores, now I'm saying we need INR50 crores for FY28, and for '29 and '30, we're looking at a larger situation, what do we need for meeting the demand to push the capacity to do 40 and I'm saying the same thing again and again and again and we will get back to you about it in in 3 months' time.

Moderator: Next question comes from the line of Ganeshram with Unifi Capital.

Ganeshram: Congratulations, Nikhil and team. Nikhil, mine is more strategic and high level. I've been looking at the commentary of some of these global OEMs. And recently, I think there's a lot of discussions around what's the ROI that these data centres are actually making on the capex?

And in the 4-to-5-year, sort of, backlog that they have, visibility they have, a large proportion of it seems to be slot preservation agreements, which don't seem as secure as orders, although there definitely is a tie-in. So, when we start thinking about FY29 and '30 from here, what's the confidence that you're getting that this capex is going to continue to stay and there will be sufficient demand to absorb the capacity?

Nikhil Kumar: Our OEM customers have taken significant amounts of non-refundable advances from the people who want to buy their equipment and that is the reason why we have confidence, and they have confidence that the demand will be there in the years ahead.

Moderator: Next question comes from the line of Suraj Malu with Catamaran.

Suraj Malu: Sir, in the last quarter, you had mentioned that we have largely employed people we wanted to and now we see 20% Q-o-Q employee expense increase. Can you help understand this?

M. N. Varalakshmi: The number of employees have increased. You see that the business is also increasing. We have almost 75% growth over the last quarter. So, I think there could be some more additions to the employees list because we are scaling up from 1,750 to 2,600. So, it is but natural that the expenses will go up.

Suraj Malu: Got it and can we understand, like, how many employees have we added in this quarter?

M. N. Varalakshmi: No, we don't share that kind of information, sir.

Suraj Malu: All right. And this includes the wage hike as well for this year or that is yet to come?

M. N. Varalakshmi: No, that is already built in.

Moderator: Next question comes from the line of Vin C with PhillipCapital.

Vin C: I had a question regarding the TAM, Nikhil. In your annual report, you have mentioned that $52 billion is the global generator market. So, what would be the relevant TAM for us, specifically in the sub-200 megawatt and the 0-to-50-megawatt range? How big is that TAM for that particular range?

Nikhil Kumar: I don't have the latest number with me. But sometime back it was something like 5 billion to 10 billion, so...

Vin C: Okay. In the 50-megawatt range?

Nikhil Kumar: Yes.

Vin C: Okay and the 50-to-100-megawatt range, how big is that market?

Nikhil Kumar: I do not have the latest number with me and there's no place where you can get this kind of data that someone is tracking this, so.

Vin C: Yes, exactly. That is the difficulty even we are having in terms of at this point.

Nikhil Kumar: Yes. We don't have that number.

Moderator: Next question comes from the line of Samvit Patel of DTI Partners.

Samvit Patel: You mentioned our customer OEMs get advances from their customers. Just wondering for us, do we also get advances from our customers when we book orders? Or how does our working capital work for that?

Nikhil Kumar: We get certain customers, we get advances.

Samvit Patel: And if possible, can you quantify how much would that be in the overall value of generator?

Nikhil Kumar: We can't do that. Sorry, we can't do that.

Moderator: Next question comes from the line of Dipen Shah with Six Senses.

Dipen Shah: And first of all, many, many congratulations for great execution. I just had one question on the domestic business, which mentioned that the domestic order book was only 5% to 6% of what we got during the quarter.

Can you just give us some more insights, which are the sectors which are holding it back and whether data centre business in India does provide some scope for further ordering in the next few quarters? Something on that will be helpful for us.

Nikhil Kumar: In India, the demand is fairly subdued. I mean, it's in the region of 10%, 12%, like what we have guided and I've been saying this not just now, but I've been saying this for the past 5, 6 quarters, and that is what it is and that's -- we don't expect anything more and it is correct what I'm saying. And it will continue to be this way, the demand is being supported by metals and across the board, but there's no explosive growth taking place in the economy. So, there's no explosive demand for power generation.

India is putting up a lot of capacity right now in large coal-fired power plants, 600, 800-megawatt sets. So, there's a huge demand in those larger sizes. So, all the players in that segment are completely booked up for the next 3, 4 years, including people like BHEL, L&T, Mitsubishi. So, there is massive power generation capacity added in the larger sizes. But that's still not going to be enough for India. So, this power shortage is going to continue for at least for some more time.

The second part of the question, AI, we don't see any meaningful AI when it comes to things like hyperscalers and everything being put up in India and we are still of the firm belief that unless there is an availability of gas and lots of water, it is difficult to have a hyperscaler kind of facility in India.

They're talking about renewables and everything, but you need to have baseload power for data centres and that has to come from gas. Diesel engines is not a solution for large-scale 500-megawatt to 1-gigawatt hyperscalers. So, I don't think there will be a widespread demand for this in India at the moment.

Moderator: Next question comes from the line of Prathamesh Rane with PhillipCapital.

Prathamesh Rane: Congratulations on a stellar quarter. Just one question from my side. Your gross margins were stable Y-o-Y. So, because of the mix or you were able to pass on commodity price hikes?

Nikhil Kumar: I answered this question a number of times and I'll answer it once again. When we give a guidance on gross contribution, gross margins, we have certain levers that we have. Levers are cost reduction, price increases, capacity utilization. Capital utilization, of course, will not come in the case of gross contribution and exchange rate. So, these are the levers that we have, right?

And as a company, we have these levers and sometimes something goes up, sometimes something goes down. But overall, we try to keep the balance and try to maintain the numbers that we commit to the market. I have answered this question a number of times, and I'm saying the same thing again and again and again.

Moderator: Next question comes from the line of Vivek Gautam with GS Investment.

Vivek Gautam: Congratulations once again on the great set of numbers being consistently given by the company under your leadership. So, there was recently a sort of meltdown in Korean market of the AI, and India sort of getting benefit, Anti-AI trade and IT services also getting benefit of it.

Is it sort of a temporary blip, adding to some issues at Oracle and OpenAI data centre plants in U.S. also, or any impact on our services there and second question was about why -- when you expect to do the QIP complete and deploy the funds?

Nikhil Kumar: First question, I have absolutely no idea. My answer is I'm not in that market to give you an educated answer around that question and the second part of the question also I'm not in a position to be able to answer any questions about it right now.

Vivek Gautam: Then opportunity size remains quite large and TAM remains quite okay for the next few years at least, that is for sure?

Nikhil Kumar: Yes, that's for sure.

Moderator: Next question comes from the line of Juili Baviskar with Ashika Institutional Equities.

Juili Baviskar: Yes. Congratulations on the great numbers. So, my question was around the number of generators. So, on the 320 additional generator this quarter. So, should we see the growth going forward as continued unit count expansion? Or it is even bigger driver that value per megawatt will increase? So, the question is it will be a volume story or realization per unit story from here?

M. N. Varalakshmi: It will be both, units as well as realization.

Juili Baviskar: Okay. So, can we see around 13,000 to 15,000 units as a total generator in FY30, '31?

M. N. Varalakshmi: That FY30 is quite a distance that we can give answer to this. We'll take it year-on-year.

Juili Baviskar: Okay. But the run rate can be similar to this quarter?

M. N. Varalakshmi: Yes. Yes. With the growth in the revenue, definitely this also will grow. It will be a play of both.

Juili Baviskar: And with larger generator size, the megawatt per generator also increase?

M. N. Varalakshmi: Yes, obviously.

Moderator: Next question comes from the line of Arpit Tapadia from IGE India.

Arpit Tapadia: Congratulation on great set of numbers. My question is since we have announced about our capacity increase up to, let's say, INR32 billion in 2028, so should that be treated as ceiling for that year? Or have there any kind of bottleneck opportunity within that to, let's say, increase it further?

Nikhil Kumar: I already answered that question. Sorry, I don't want to answer it once again, but I've already answered that question. We mentioned INR3,200 crores, it is an approximate number, plus minus we can do and if the opportunity is there on the market side, we are not going to turn away from it, we will do it.

Moderator: Next question comes from the line of Abhishek Kamdar with Value Plus Advisors LLP.

Abhishek Kamdar: Congratulations on a great set. My question is around working capital. Do we expect this to remain in line with what we have currently and second is the other current liabilities have increased significantly this quarter. Is this predominantly customer advances?

M. N. Varalakshmi: Yes. Actually, working capital will continue to remain on the same line because we see a significant growth from last year to this year and on the current liabilities, yes, there are customer advances and also the provision for taxation because of the increased volume of business.

Moderator: Next question comes from the line of Kushal Goenka with Mangal Keshav Financial Services.

Kushal Goenka: So, my question is again on the trade receivables part. So, it's around close to INR785 crores. Now I understand that we have been growing at a very high speed. However, we do have around INR240 crores of money in the balance sheet.

And in spite of that, we are doing a fundraise. So what efforts are we putting to better our working capital and particularly the receivables days, so we can generate more internal accruals, and would not need a lot of external funds to grow at a higher speed?

Nikhil Kumar: We have payment terms fixed with our customers, and we're not going to be able to alter them dramatically to be able to do what you're saying we should do. We need to make sure that our business continuity with our customers is the number 1 priority.

Commercial terms and conditions can be changed a little bit here and there, but they cannot be altered significantly because otherwise, we will lose business. So, we have to keep in perspective that we have to keep the business, keep our customers, grow the business with them, working capital needs may increase, funding requirements may increase.

And in which case, we will have to look at ways to fund the entire company and everything is a balance of a little bit of this, a little bit of that. But in the end, we have to make sure the number 1 priority always is our customers have to be happy and have to continue to buy generators from us. So theoretically, what you're saying is possible, but practically, it is not possible.

Kushal Goenka: My second question is just a clarification on the fundraise. I hope we would also consider debt as compared to equity because we are debt free and the cost of equity is always higher than the cost of debt. So just wanted your thoughts on that.

Nikhil Kumar: I'm not going to be able to talk about any fundraise issues. We have issued a notification to the exchange that we'll be having a Board meeting on Friday and I cannot discuss anything before the Board meeting takes place on Friday.

After Friday, after we finish the Board meeting, naturally, we'll have to disclose to the market what we plan to do and then after that, once that is disclosed to the market, I'll be happy to answer questions to whatever questions you may have about our plans.

Moderator: Next question comes from the line of Mohit Surana with Monarch Networth Capital.

Mohit Surana: Sir, just one question on the tariff refunds. Some of the Indian companies have started receiving the refund of tariffs that they have paid to the U.S. So, are we seeing similar inflows?

Nikhil Kumar: All our products are exports from India. So, we are not the importer on record and so we we will not get any refunds.

Moderator: Ladies and gentlemen, that was the last question for today. We have reached the end of question-and-answer session. I now hand the conference over to the management for closing comments.

Nikhil Kumar: Thank you, everybody, for joining us on this call today. I will be in an investor conference next week, where I hope to see many of you and look forward to the future interaction together. Thank you. Bye-bye.

M. N. Varalakshmi: Thank you.

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