tdps

MONARCH NETWORTH CAPITAL

INITIATING COVERAGE

TD POWER SYSTEMS LTD

Empowering a Sustainable Future

OCTOBER 2025

Research Analyst

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TD Power Systems Ltd| Rating: BUY | TP: Rs 755

Plugged into the Energy Transition and AI Boom

Initiating coverage

We initiate coverage on TD Power (TDPS) with a Buy rating and TP of Rs 755. India's mid-sized industrial equipment space is witnessing a renaissance driven by structural trends in decentralized power generation, industrial energy efficiency, and the global shift to renewables and storage-backed systems. Within this landscape, TDPS stands out as a high-quality play in the power conversion value chain with a strong presence in AC generators. The company boasts deep engineering capabilities, robust balance sheet, and delivers best-in-class returns, positioning it as a beneficiary of the energy transition related capex upcycle and AI boom over the next 3–5 years. We expect an attractive revenue and PAT growth of 22-23% for TDPS over FY25-28E.

- **Strong market position in AC generators:** TDPS is a leading manufacturer of alternating current (AC) generators of less than 60 MW capacity range on an average supplying to OEM turbine makers and EPC contractors globally. The company plays a critical role at the electrical end of the power generation value chain—converting mechanical energy into electrical output—making it integral to multiple generation technologies. The business benefits from strong industry tailwinds such as the expansion of distributed and decentralized power systems, the rise of renewable and waste-to-energy (WtE) projects, growth in industrial captive generation, and the accelerating demand for backup and prime power from data centers and AI-driven digital infrastructure.

- **Strong export momentum and diversified end-markets:** Exports have become the key growth engine for TDPS. The company derives ~70% of order inflows from exports and deemed exports, with presence across 110 countries. The company's global OEM partnerships (including leading turbine makers) enable steady repeat business. Sectoral exposure is well-diversified across renewables (biomass, waste-to-energy), industrial CHP, process industries (sugar, cement, chemicals), and data centers. This diversification across geographies and sectors reduces earnings volatility and enhances visibility of long-term growth.

- **Technology capability and emerging energy transition play:** The company is investing to align with the next wave of decarbonization and grid transformation. TDPS is expanding into customized generator-motor systems for industrial and renewable applications, backed by a new 0.22 mn sq ft Bengaluru facility (₹1.2 bn capex) expected to be commissioned by Q3-FY26. The company is thus positioned to benefit from the evolving energy transition and storage ecosystem in India and overseas.

- **Valuation and view:** TDPS merits premium valuation within the Indian capital goods universe given its strong positioning in the AC generator segment, global competitiveness with low-cost engineering edge, consistent >20% return ratios and robust balance sheet. We value the stock at 40.0x September 2027E EPS and 28.0x September 2027E EBITDA to arrive at an average TP of Rs 755 for TDPS, implied upside 17%. Our bull case valuation indicates an upside of 34%. **Key Risks:** Further worsening of cash conversion, and slowdown in global industrial capex in the energy sector

Target price	**755**
CMP	648
Upside	17%

Price Performance (%)	1M	6M	1Yr
TDPS IN	12%	45%	71%
Nifty	5%	7%	6%

Source: BSE, NSE, Company

Key Data	
Bloomberg Code	TDPS:IN
Curr Shares O/S (mn)	156
Diluted O/S (mn)	156
Mkt Cap (Rs bn/$ mn)	101/1,145
52 Wk H / L (Rs)	668/293
3M Average Volume	955,377

Shareholding pattern (%)

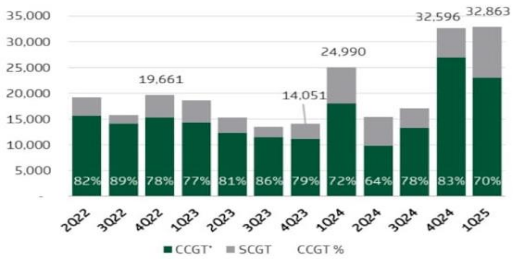
	Dec-24	Mar-25	Jun-25	Sep-25
Promoter Group	34.3%	33.2%	26.9%	26.9%
DIIs	24.9%	24.9%	25.3%	25.4%
FPIs	17.8%	19.1%	23.7%	23.6%
Others	21.0%	22.7%	24.1%	24.1%

Source: BSE

Why should you read this report?

- Learn about TDPS business model and strategy.
- Understand the turbine-generator industry and the tailwinds in these segments
- TDPS's positioning in the industry based on moat and opportunities

Robust Global Gas turbine Orders (MWe)



Source: Industry

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Y/E; Rs mn	Revenue	YoY (%)	EBITDA	EBITDA Margin	PAT	YoY (%)	EPS	ROE	ROCE	P/E (x)	EV/EBITDA (x)
FY24	10,005	15%	1,674	16.7%	1,183	22%	7.6	18.1%	22.1%	39.1	26.7
FY25	12,788	28%	2,308	18.0%	1,746	48%	11.2	22.3%	26.6%	36.7	27.3
FY26E	15,985	25%	2,876	18.0%	2,133	22%	13.7	22.3%	27.1%	47.5	34.4
FY27E	19,645	23%	3,633	18.5%	2,735	28%	17.4	23.2%	27.8%	37.2	26.8
FY28E	23,201	18%	4,291	*18.5%*	3,283	20%	20.9	22.4%	26.5%	31.0	22.3

Source: Company, MNCL Research Estimates

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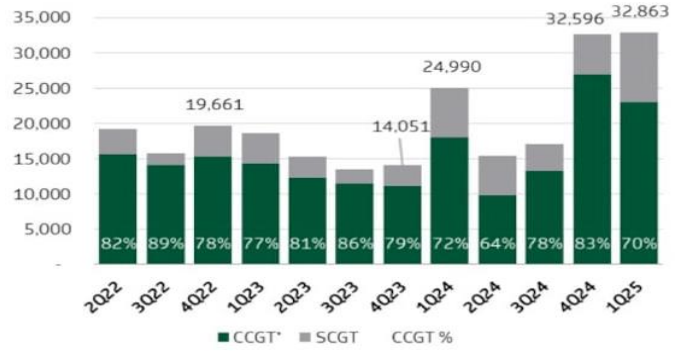
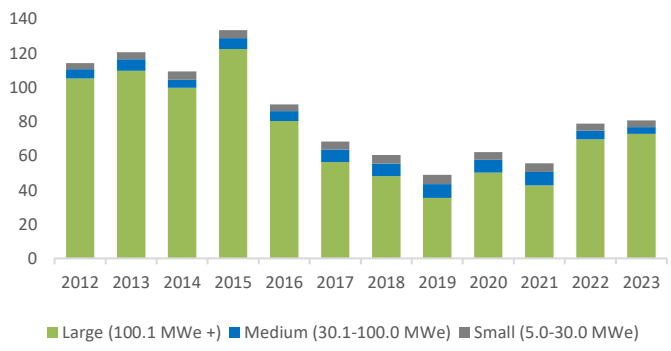
Investment Thesis in Charts

Exhibit 1: Secular recovery in gas turbine order intakes (Mwe)



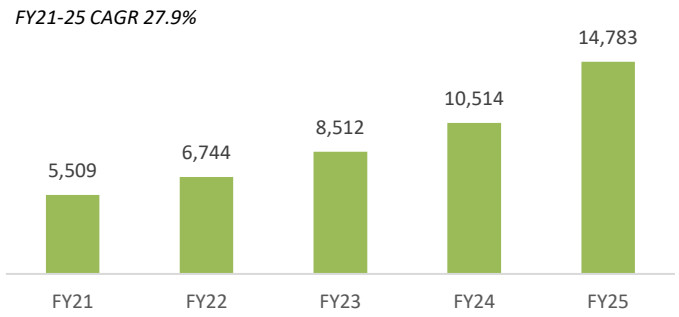
Source: McCoy Power Reports, MNCL Research

Exhibit 2: As well as steam turbine demand (MWe)…



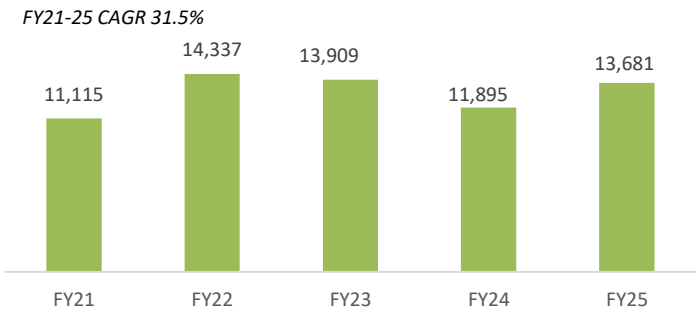
Source: McCoy Power Reports, MNCL Research

Exhibit 3: …Has led to rising order intakes (Rs mn)



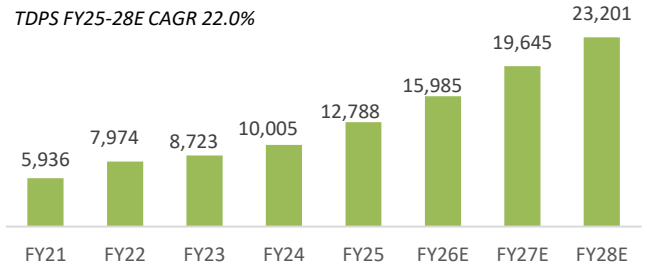
Source: Company, MNCL Research

Exhibit 4: And strong orderbook growth (Rs mn)



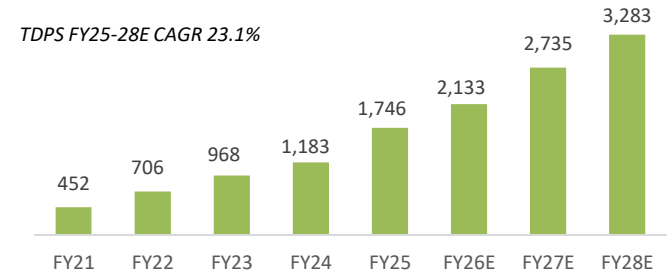
Source: Company, MNCL Research

Exhibit 5: We expect robust sales growth...



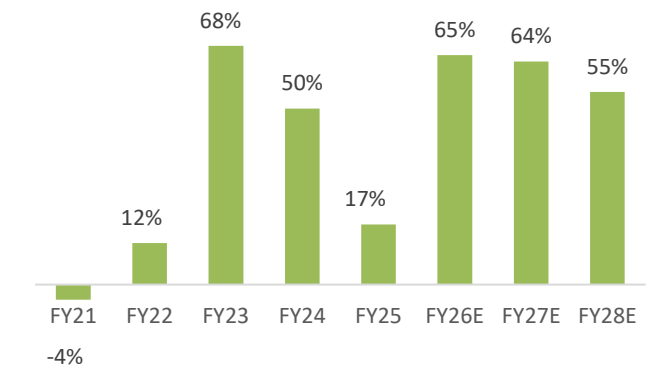
Source: Company, MNCL Research

Exhibit 6: Supporting strong PAT growth



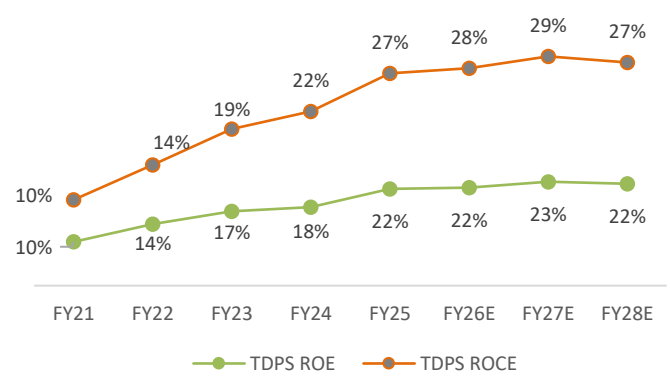
Source: Company, MNCL Research

Exhibit 7: Cashflow generation should also remain decent



Source: Company, MNCL Research

Exhibit 8: Culminating in resilient ROE and ROCE



Source: Company, MNCL Research

TD Power – Where All Prime Movers Find their Spark

TDPS is a leading manufacturer of AC generators catering to gas, steam, hydro, and diesel-based power plants. Its product portfolio also includes gas and diesel engines, synchronous motors (up to 50 MW), induction motors (up to 20 MW), and traction motors (up to 1,250 kW), addressing diverse industrial and mobility applications.

The company operates two manufacturing units in Bengaluru, including one focused on large-format generators, with a third facility under development for generators, motors, and components. It also has an overseas facility in Turkey. As of FY25, the company employed 1,919 employees, including workers.

Exhibit 9: Output capacity of generators and manufacturing facilities

AC Generators Capacity (MVA)	Up to
Steam turbines	1-250
Gas turbines	1-250
Hydro turbines	45
Wind turbines	customized
Diesel Engines	25
Gas Engines	25
Locomotives (Diesel)	customized
Special applications	customized

TDPS's sold units have an average output capacity of 7.2 MW

Manufacturing facilities (area in sq ft)	FY25
Unit I (in Bangalore)	**1,57,624**
Unit II, standalone	2,19,756
2 Pole factory / Large generator factory	78,449
Unit II, total (in Bangalore)	**2,98,205**
Grand total (Unit I and II)	**4,55,829**

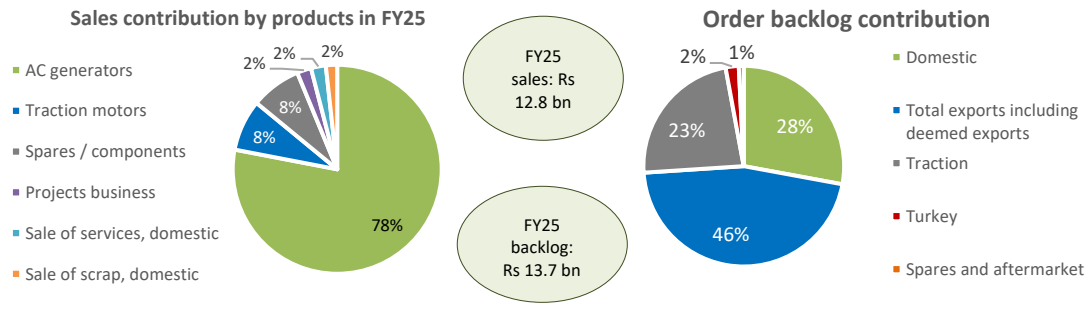
*Under construction:
Tumkur, Bengaluru (2,15,278 sq ft; FY26 planned commissioning)

Source: Company, MNCL Research

Customer base and concentration: TDPS primarily serves industrial customers across sectors such as cement, steel, paper, chemicals, metals, and various power segments including co-gen, biomass, waste-to-energy, geothermal, hydro, and IPPs. While it has supplied to over 110 countries, ~84% of sales volume (by units) in FY25 was concentrated in Europe, Asia, and the Middle East. The top two customers accounted for 48% of FY25 sales, indicating high customer concentration.

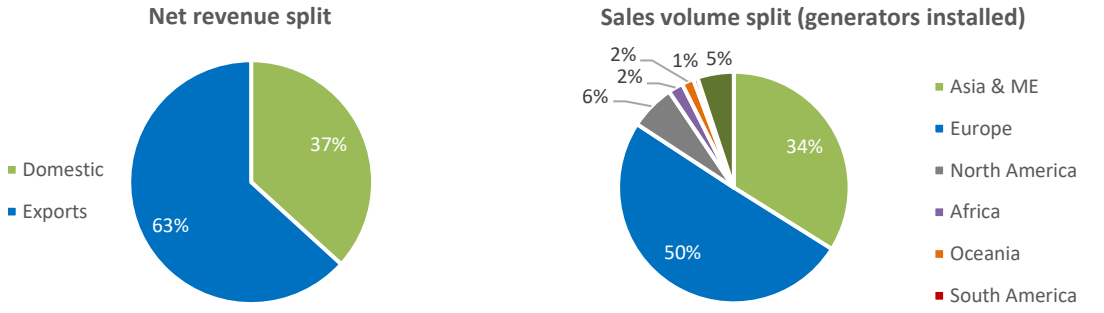
Revenue mix and geographical reach: TDPS derived the majority of its FY25 revenue from generator sales and remained largely export-focused. Exports accounted for 63% of total sales in FY25, though their share in the total order backlog was lower at under 46%. The traction business, received from Alstom in FY17 and intended for domestic delivery of motor components, comprised 23% of the FY25 order book but contributed only 7% to consolidated sales due to a staggered delivery schedule.

Exhibit 10: Sales and backlog break up of TDPS for FY25



Source: Company, MNCL Research

Exhibit 11: Regional split of TDPS's net revenue and sales volume for FY25



Source: Company, MNCL Research

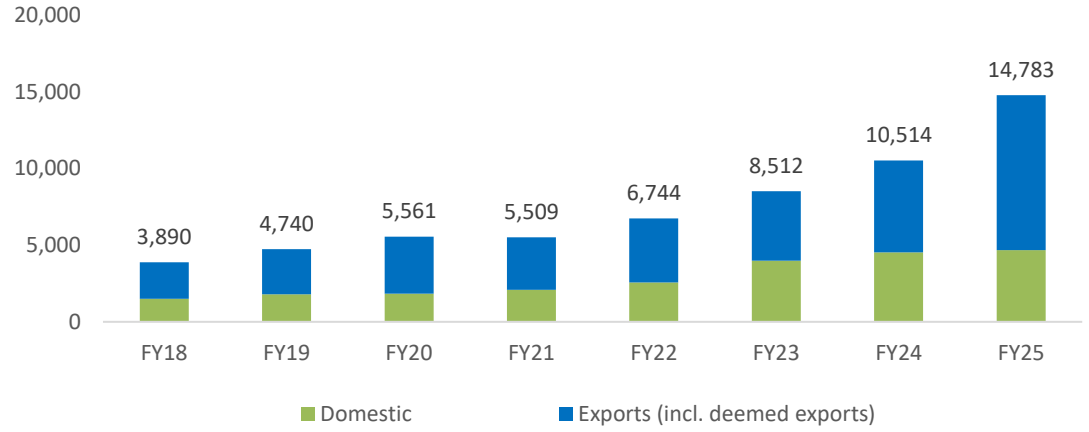
TD Power – Positioned for Multi-Year Growth with Export and Capacity Levers

Strong Tailwinds, Primarily from AI, Position TDPS for Export-Led Expansion: TD Power Systems (TDPS) has demonstrated robust performance over FY18–FY25, propelled by supportive industry tailwinds and a steadily expanding order pipeline. Secular industry drivers—global energy transition, grid stabilization, coal plant retirements, the rapid build-out of data centers, and sustained industrial capex cycles—are converging in favor of TDPS. With a diversified portfolio and an increasing tilt towards exports, the company is well placed to maintain its growth trajectory while defending margins over the medium term.

- **Order Momentum Stays Strong:** Order momentum remains strong, with inflows rising 74% from Rs 8.5 bn in FY23 to ₹14.8 bn in FY25. Export markets, including deemed exports, now contribute more than two-thirds of order inflows, reflecting surging global demand for decentralized power equipment, while the domestic market continues to provide steady support. The order backlog stood at Rs 13.7 bn in FY25 (~1.1x book-to-bill), ensuring near-term revenue visibility. Ex-traction, book-to-bill remains at ~0.9x, broadly aligned with historical levels.

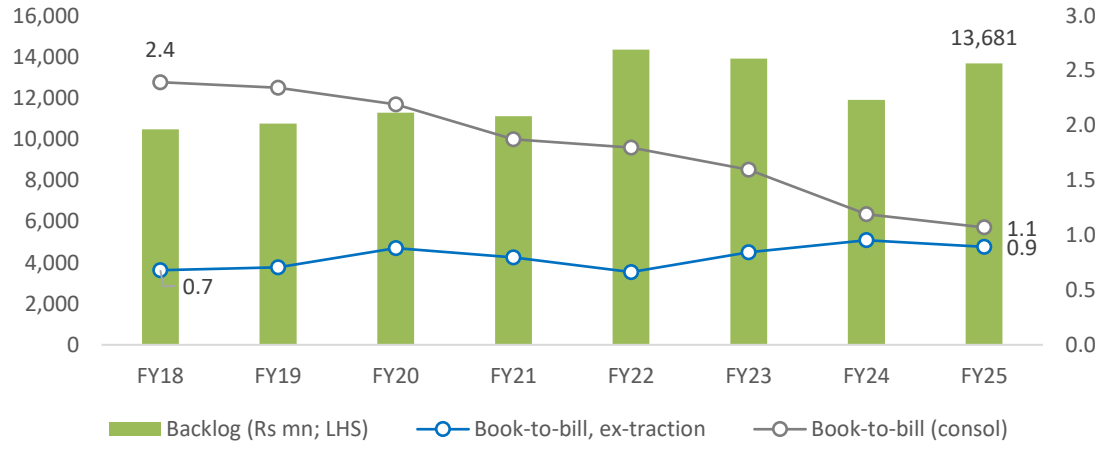
- **Turnaround with Accelerated Growth:** Consolidated revenues recorded a healthy CAGR of ~17% across this period, with FY25 revenue accelerating 28% YoY to Rs 12.8 bn. Profitability has improved markedly, with PAT swinging from a Rs 144 mn loss in FY18 to Rs 1.7 bn in FY25.

Exhibit 12: TDPS order inflows (Rs mn) soar driven by export orders



Source: The Company, MNCL Research

Exhibit 13: TDPS order backlog (Rs mn, LHS) and book-to-bill (RHS)



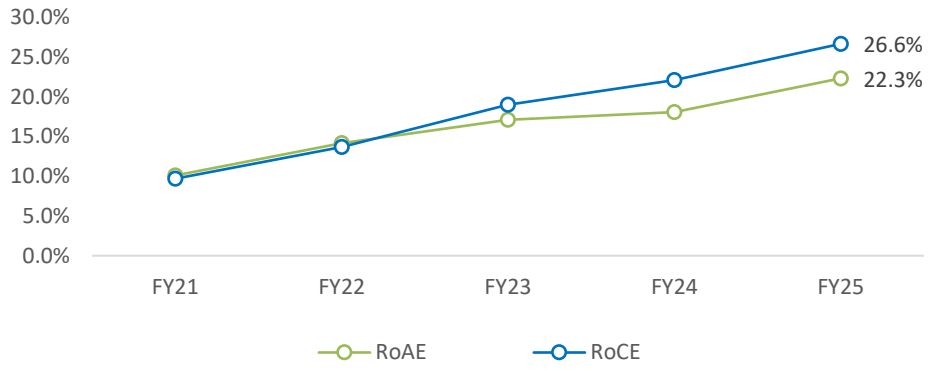
Source: The Company, MNCL Research

Debt-free growth backed by expanding margins and high RoCE: TD Power Systems (TDPS) has consistently strengthened its balance sheet, enabling superior operational delivery. The company is virtually debt-free with net debt-to-equity consistently negative (-15% in FY25), providing ample flexibility for growth investments. Margins have expanded steadily, with EBITDA rising from 1.9% in FY18 to 18.0% in FY25, supported by disciplined cost control and an improving revenue mix. PAT margins improved from 11.8% in FY24 to 13.7% in FY25, translating into a strong 47.5% YoY earnings growth.

Return ratios have scaled sharply—RoE improved from less than 7% in FY20 to 20.3% in FY25, while RoCE surged to 26.6%, highlighting efficient capital deployment. Despite high working capital intensity (cash conversion cycle at 162 days in FY25), TDPS maintains robust cash generation and dividend payouts.

Overall, the company's debt-free position, expanding profitability, and high return metrics underpin strong operational resilience and provide a solid foundation for sustained growth.

Exhibit 14: TDPS's ROE and ROCE trajectory has trended positively



Source: The Company, MNCL Research

Upcoming Capacity Expansion to Support Steady Growth in the Medium-term: TD Power has three manufacturing facility – two in Bengaluru and one in Turkey. The facility in Bengaluru totals an area of 0.45 mn sq ft, while the area of the one in Turkey is relatively much smaller. The management has guided on its strategy to use the Turkey plant for production of units to be delivered directly in the USA, which is around 5-8% of its total order book.

The company has been also constructing a fourth unit in Bangalore which will cover an area of 0.22 mn sq ft, cost Rs 1.2 bn, and is slated for completion in Q3-FY26. Roughly 400 mn was spent until FY25 with the remainder allocated for FY26. This unit will be utilized for manufacture of generators, motors, and backward integration, and should improve annual revenue potential for the company to Rs 20–24 bn without requiring further major capex in the near term. We believe this facility should contribute to profit margin expansion on achieving optimal utilization, likely in FY27. The company's guidance of a 20% topline growth also incorporates the growth from this capacity expansion.

Notably, TDPS's asset turnover has steadily improved with sales-to-gross fixed assets at 2.5x in FY25, up from 1.1x in FY18.

Exhibit 15: TDPS's manufacturing facilities

Manufacturing facilities (area in sq ft)	**FY25**
Unit I (Dabaspet, Bengaluru, India)	1,57,624
Unit II, standalone	2,19,756
2 Pole factory / Large generator factory	78,449
Unit II, total (Dabaspet, Bengaluru, India)	**2,98,205**
Total (Unit I and Unit II)	**4,55,829**
Izmir, Istanbul, Turkey	n.a.

**Under construction: Tumkur, Bengaluru (2,15,278 sq ft; FY26 planned commissioning)*

Source: The Company, MNCL Research

AC Generator Industry Intrinsically Linked to the Prime Movers Industry

The global prime movers market is valued at $104 bn in 2024 and is expected to grow at a CAGR of 4.5% over 2024-33.

The synchronous generator market is valued at $6.8 bn in 2024 and is expected to grow at a CAGR of 4.9% over 2024-34.

Definition of prime movers: A prime mover is a machine that converts various forms of energy—such as chemical, electrical, or fluid pressure—into mechanical energy to perform work. Common examples include steam turbines, gas turbines, internal combustion engines, and hydraulic motors. In the context of power generation, prime movers drive electric generators, transforming thermal, kinetic, or hydraulic energy into electrical energy.

Prime movers market size and outlook: The global prime movers market is experiencing significant growth, driven by advancements in manufacturing, power generation, and transportation. Valued at approximately USD 104 billion in 2024, the market is projected to reach USD 143 billion by 2033, growing at a CAGR of 4.5%. This expansion is fueled by increased industrialization, urbanization, and the demand for efficient, sustainable energy solutions. Emerging economies, particularly in Asia-Pacific, are contributing to this growth due to infrastructure development and industrialization.

Among the various types of prime movers, gas turbines and steam turbines are gaining prominence due to their efficiency and adaptability in power generation. This growth is attributed to the increasing demand for stable and reliable power sources, especially in regions with expanding industrial activities. Additionally, the rise of renewable energy sources has led to the development of advanced prime movers that can efficiently integrate with variable power inputs, ensuring grid stability and reliability.

Interdependence of Prime Movers and AC Generators: AC generators, which are pivotal in electricity generation, rely on prime movers to supply the mechanical energy necessary for their operation. As the demand for electricity increases globally, the need for efficient and reliable prime movers becomes more critical. ***The synchronous generator market (global), which relies on prime movers, is expected to grow from USD 6.8 billion in 2024 to USD 11 billion by 2034, at a CAGR of 4.9%.***

This growth underscores the importance of prime movers in meeting the escalating energy demands. Furthermore, advancements in prime mover technologies, such as improved fuel efficiency and reduced emissions, are driving the development of more sustainable AC generators, aligning with global efforts towards cleaner energy solutions.

Exhibit 16: Prime Movers versus Generators

Feature	Prime Movers	Generators
Definition	Machines that convert energy from fuel, steam, water, or wind into mechanical energy.	Machines that convert mechanical energy into electrical energy.
Primary function	Produce mechanical power to drive other machinery, especially electric generators.	Produce electricity for industrial, commercial, or residential use.
Energy input	Thermal, chemical, hydraulic, or kinetic energy (e.g., fuel, steam, water flow, wind).	Mechanical energy supplied by prime movers.
Energy output	Mechanical energy (rotational or linear motion).	Electrical energy (AC or DC).
Examples	Steam turbines, gas turbines, diesel engines, hydro turbines, wind turbines.	Alternating current (AC) generators, synchronous generators, induction generators, DC generators.
Role in power generation	Drives the generator to produce electricity.	Converts the mechanical energy from prime movers into usable electrical power.
Industry drivers	Efficiency improvements, fuel flexibility, renewable integration, industrial demand.	Demand for electricity, grid stability, renewable energy adoption.
Global market linkage	Growth in industrialization, infrastructure, and power generation fuels demand for prime movers.	Growth depends on prime movers' deployment; more prime movers → more generators needed.

Source: energydome.com, MNCL Research

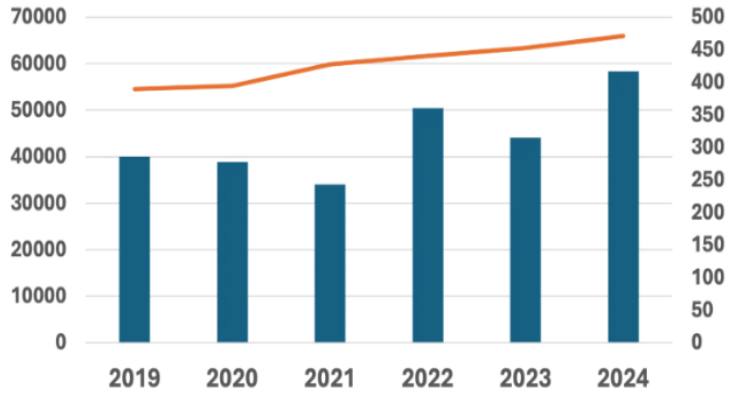
Gas Turbine and Gas Engine: Demand Soar as Supply Strains Amid Renewables & AI Boom

Gas turbines and gas engines remain vital to global power generation, providing flexible, dispatchable capacity to balance renewables. Gas turbines dominate utility-scale power, especially in combined-cycle plants, while gas engines serve distributed generation and combined heat and power (CHP). The global gas turbine market is projected to grow ~4–5% annually to 2035, while the gas engine market is expected to expand faster at ~6%. Growth is strongest in Asia and the Middle East, with North America and Europe focused on modernization and services. Key drivers include rising electricity demand, efficiency upgrades, and the role of gas as a transition fuel.

Record Global Orders Signal Strong Multi-Year Growth for Gas Turbines: 2024 witnessed a significant rebound in global gas-based turbine demand, with nearly 500 units totaling almost 60 GW reported—the highest levels since 2002. This represents a sharp increase from over 40 GW recorded in 2023, highlighting a robust resurgence in the market. The growth reflects heightened global electricity demand, coal-to-gas transitions, and rising investment in flexible, dispatchable power capacity to complement renewables.

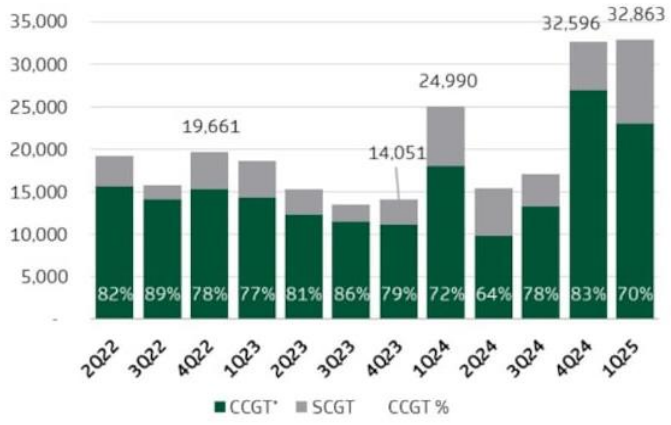
Orders span both Combined Cycle (CCGT) and Simple Cycle Gas Turbines (SCGT), indicating broad-based demand across utility-scale and peaking applications. Market forecasts suggest the trend will continue, with expected 7–10% annual growth in 2025, driven by Asia and the Middle East, where new builds and modernization projects are concentrated.

Exhibit 17: Global Gas Turbine Orders in MW (LHS; bars) and in units (RHS; line)



Source: McCoy Power Reports, MNCL Research

Exhibit 18: Combined Cycle and Simple Cycle Gas Turbines orders in MW



Source: McCoy Power Reports, MNCL Research

Small Gas Turbines Ride Tailwinds from Coal Retirements, Renewables, and AI Growth: As summarized in the table below, coal retirements, renewables/batteries, and data center/AI expansion are the top three drivers shaping demand for <100 MW gas turbines, while cheap natural gas and mobility provide additional support.

Exhibit 19: Gas Turbine Application by End-use and Output Capacity Segment

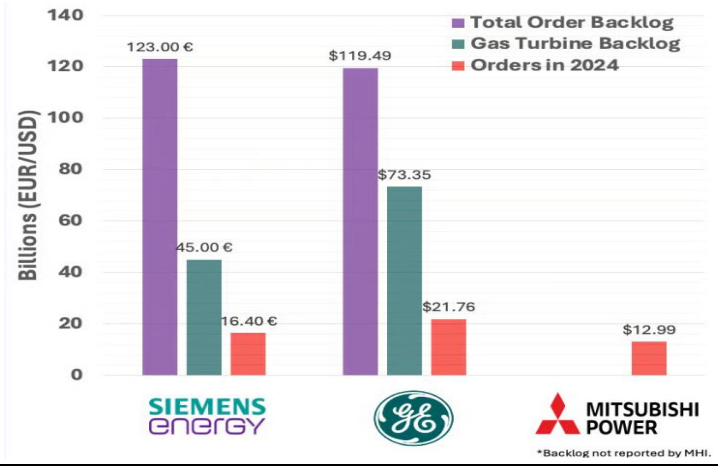
Driver	Small (<20 MW)	Mid (40–100 MW)	Jumbo-Frame (>200 MW)
Grid-scale battery storage	Moderate (hybrid/recharge systems)	High (peaking & flexible)	Low (less reliance on large plants)
Coal plant retirements	Slight (onsite/backup)	High (replacement/peaking)	Moderate (upgrades)
Data center & AI growth	Moderate (onsite power)	High (baseload for clusters)	High (baseload combined-cycle)
Renewable energy expansion	High (mobile & hybrid)	Moderate (peaking)	Low (less new large builds)
Natural gas pricing & LNG	Moderate (fuel cost advantage)	High (favorable economics)	High (large plant viability)

Source: McCoy Power Reports, MNCL Research

Demand far exceeds supply for gas turbines: The scale and speed at which gas power's fortunes have reversed have more recently been propelled by the rapid rise in electricity demand, which has forced the power industry to rethink its long-term generation mix. Driven prominently by AI–driven data centers and other large industrial loads, demand projections have only grown more staggering.

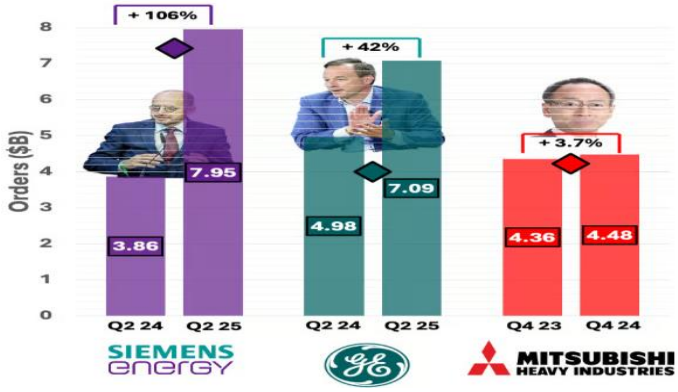
Most gas turbine capacity is being manufactured for Asia and China has the largest share of gas-fired capacity in development within the Asia region. The top three leading gas turbine manufacturers — GE Vernova, Siemens Energy, and Mitsubishi Power — dominate the global gas turbine market for gas-fired power plants under construction, with two-thirds of the market. These companies are reporting solid orders for new gas-fired turbines, up significantly from just a few years ago. Also, news articles indicate these OEMs are quoting upwards of 5-7 years for delivery of orders if placed today.

Exhibit 20: Gas Turbine Major's Order Intakes and Backlog



Source: gasturbinehub.com, MNCL Research

Exhibit 21: Gas Turbine Major's Order Intakes



Source: gasturbinehub.com, MNCL Research

AI Driving Strong Demand for Gas Engines: Data centers require uninterrupted power to ensure uptime, making on-site generation essential. Gas and diesel engine generators act as backup or prime power sources to support grid instability and high energy density needs. Diesel gensets dominate due to faster response, higher reliability, and lower initial cost, especially for Tier III–IV facilities. However, gas engines are gaining traction for continuous and greener operations, offering lower emissions and suitability for hybrid or microgrid setups. Overall, while diesel engine remains preferred for emergency backup, gas engines are rising for sustainable, long-duration and load-balancing applications.

As seen from the table below, hyperscale and colocation/wholesale data center type constitute ~94% of the upcoming capacity additions, while edge/enterprise constitute the balance 6%. Notably, while edge contributes modest MW, it is significant in site counts and latency-sensitive workloads.

Also, *most of the pipeline (by MW) is concentrated in the Americas (~50%), followed by APAC (25%), then EMEA (18%); the remainder is LATAM & MEA combined (7%).*

Exhibit 22: Data center cumulative capacity additions by type

Type	2025-2030 additions (MW)	Share
Hyperscale	99,500	68.4%
Colocation / Wholesale	37,500	25.8%
Edge (micro / modular)	6,650	4.6%
Enterprise / On-premises	1,850	1.3%
Total	145,500	100%

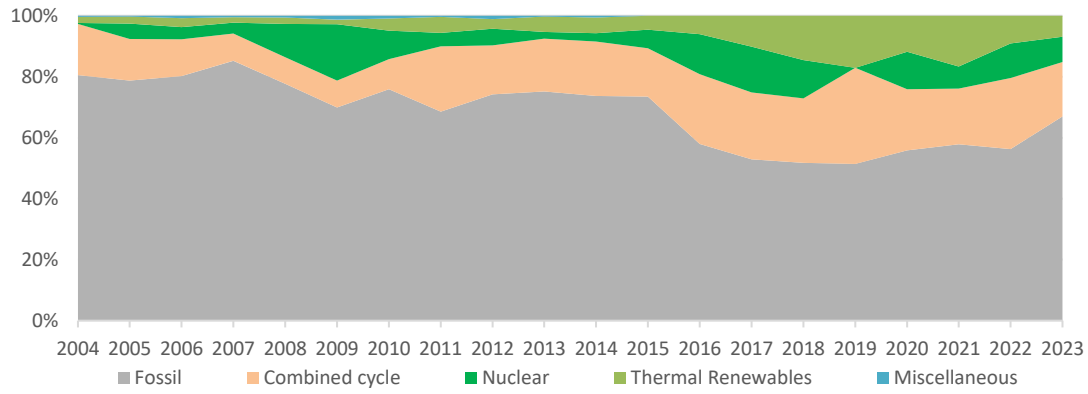
Source: Industry

Steam Turbine Industry: Thermal Renewables Add Momentum to a Mature Market

Steam turbine is a core technology for power generation in fossil fuel power plants, combined cycle plants, thermal renewable energy facilities (such as geothermal, biomass, waste-to-heat, and solar thermal), and nuclear power plants because they all produce a heat source that can be used to create steam to spin the turbine. These different power generation methods vary in their fuel source, but all rely on the fundamental principle of using steam to convert thermal energy into mechanical and then electrical energy.

Fossil Stronghold, Thermal Renewables Accelerating: Steam turbines delivered for fossil fuel-based power generation remain dominant (67% of the total capacity sold in 2023 versus 85% in 2007) though the share has come down over time mainly due to a ramp up in demand from other energy sources. Steam turbine demand from combined gas cycle and nuclear based power generation constituted 18% and 8% of total, respectively, in 2023, versus 9% and 4% in 2007. The strongest ramp-up in demand is observed in thermal renewables which has increased to 7% of total in 2023 versus 2% in 2007.

Exhibit 23: Steam Turbines Delivered Globally (based on aggregate output capacity in GWe)



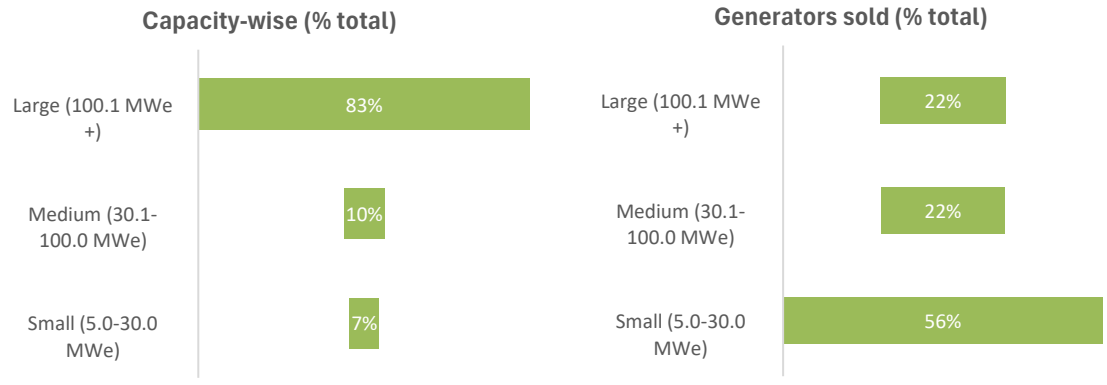
Source: McCoy Power Reports, MNCL Research

Big Turbines Rule Capacity, Small Turbines Rule Volumes: According to the McCoy Power Reports, the steam turbine markets can be divided into three unit-size segments:

- the small turbine market with turbine output of 5.0 MWe to 30.0 MWe,
- the medium turbine market with turbine output of 30.1 to 100.0 MWe, and
- the large turbine market with turbine output above 100 Mwe.

Notably, McCoy has not considered the below 5.0 MWe capacity turbines, which are mostly drive turbines, likely due to difficulty in accumulating data for the same. Data from market research firm indicates this market could be around 5-6% of the total turbine market.

Exhibit 24: Steam Turbines Delivered Globally (Based on Aggregate Output Capacity in GWe)



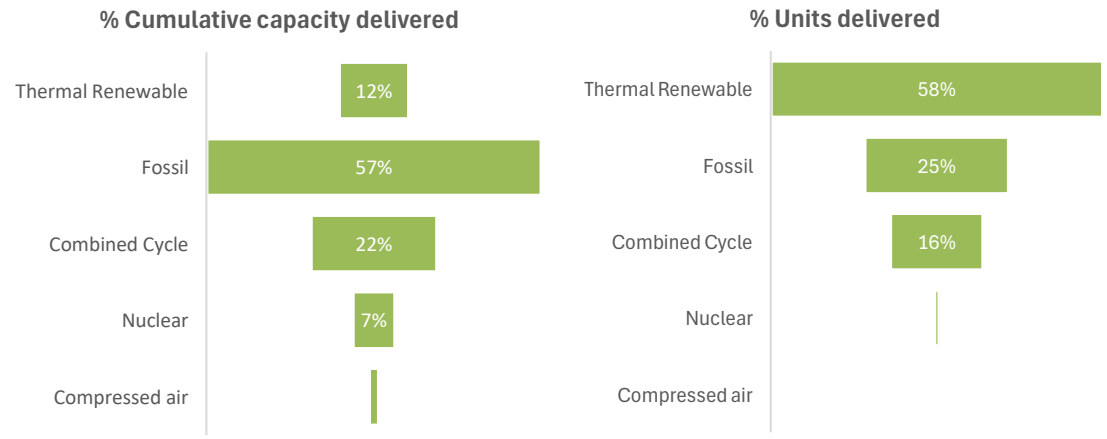
Source: McCoy Power Reports, MNCL Research

While small turbine sales far exceed medium and large turbines in terms of units sold, it is the other way round when the comparison is based on the accumulated output capacity sold.

Fossil fuel-based power plants require higher capacity turbines (around 260 MWe on average) whereas thermal renewables-based power plants require lower capacity turbines (around 25 MWe on average).

Thermal Renewables Drive Low-Capacity Turbines Demand: Over 2018-23, around 3,382 steam turbines were supplied globally with a cumulative capacity of 386 GWe. As seen from the charts below, while Fossil was dominant in terms of cumulative capacity share, thermal renewables were dominant in terms of volumetric share, implying the later require turbines of lower capacity versus other energy sources. *Our calculations indicate average capacity per unit of 940 MWe for nuclear, 260 MWe for fossils, 150 MWe for combined cycle, and 25 MWe for thermal renewable-based power sources.*

Exhibit 25: Steam Turbines Delivered Globally over 2018-23 (Based on Power Generation-Mode)



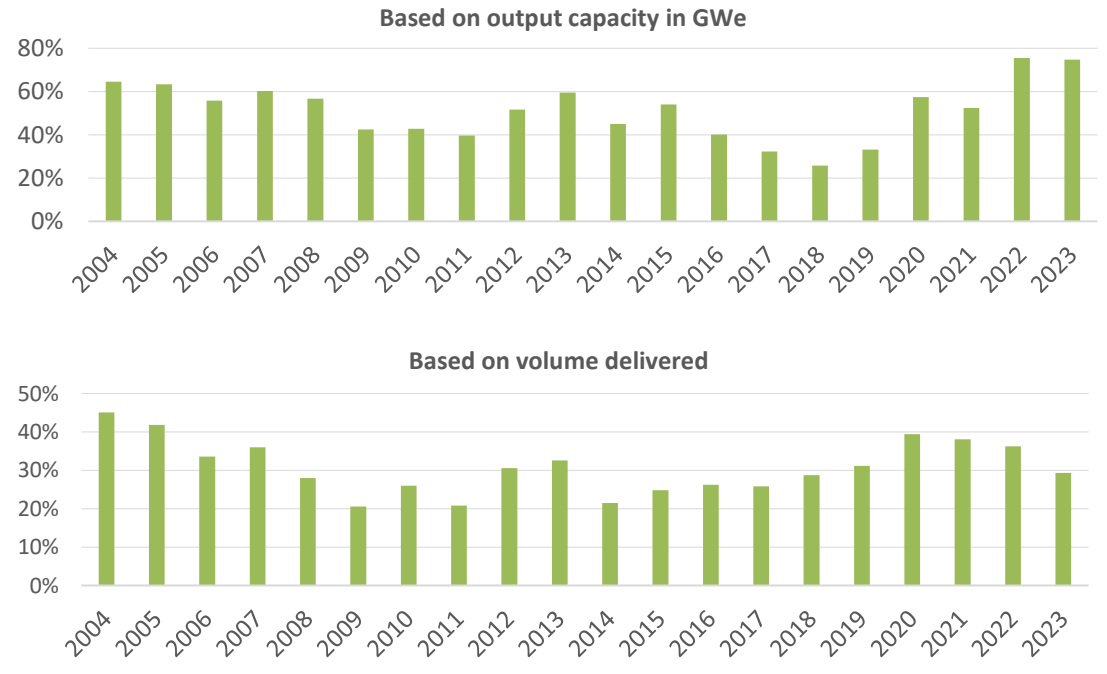
Source: McCoy Power Reports, MNCL Research

China Dominates the Manufacturing of Large Capacity Turbines: Large capacity turbines are increasingly concentrated in China. While China accounts for 75% of global steam turbine production when measured by total capacity, its share drops to just 29% in terms of units supplied. This indicates that Chinese manufacturers dominate the supply of very large turbines, which significantly inflate total installed capacity per unit. In contrast, smaller and medium-sized turbines—typically required for thermal renewables, CHP, and industrial applications—are more evenly supplied across global markets. The concentration of large turbine production in China reflects both the scale of its domestic projects, particularly coal, nuclear, and large industrial facilities, and the cost competitiveness of Chinese OEMs in the global market.

Exhibit 26: China's Market Share in Steam Turbines Manufactured Globally

China accounted for 75% of the market share in 2023 based on accumulated output capacity supplied.

The share is lower but still a decent 29% based on units delivered.



Source: McCoy Power Reports, MNCL Research

Market Rebounds, But Peak Levels Distant: In 2023, global sales of steam turbines above 5.0 MWe capacity stood at 80.6 GWe across 501 units, marking a 2% increase in installed capacity but an 11% decline in units sold YoY. This trend highlights two dynamics:

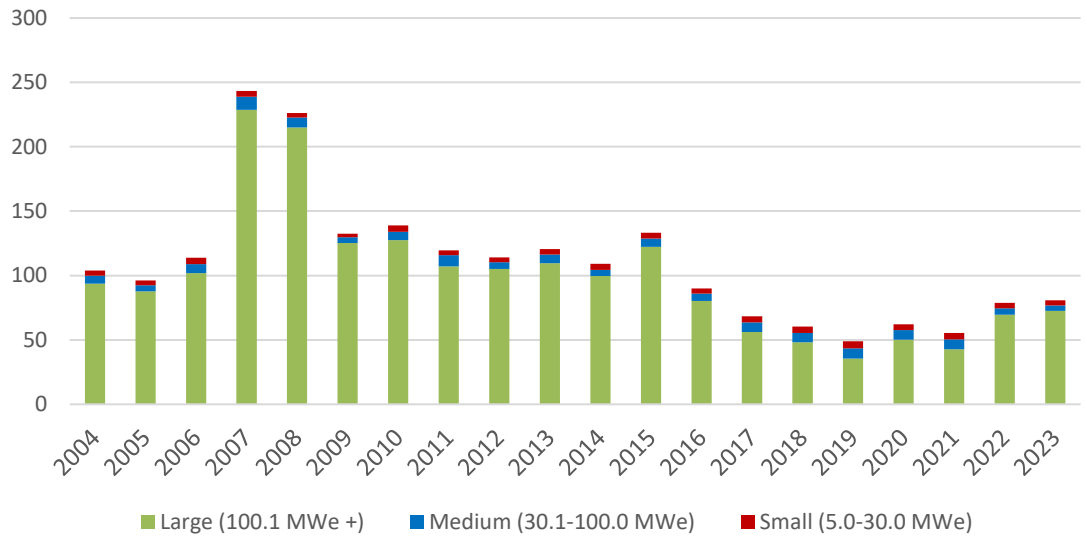
- Average turbine size is rising as demand shifts toward larger, more efficient units, especially in nuclear and fossil replacements.
- Volume growth remains constrained, reflecting slower new-build momentum globally, partially offset by niche growth in thermal renewables and industrial CHP.

Importantly, while the market has recovered from the 2019 trough, sales volumes remain well below historical peaks. Specifically, 2023 capacity sales are still 42% lower than the 2009–2015 peak period, while unit sales trail by 30%. Compared to the 2007 high-water mark in unit volumes, the market is down by 67% in GWe and 50% in units, underscoring the structural downtrend. The recovery therefore appears gradual and capacity-led, with growth concentrated in select regions and applications rather than a broad global rebound.

The year 2019 was the trough of the steam turbine demand in terms of GWe and the market is on the path to gradual recovery.

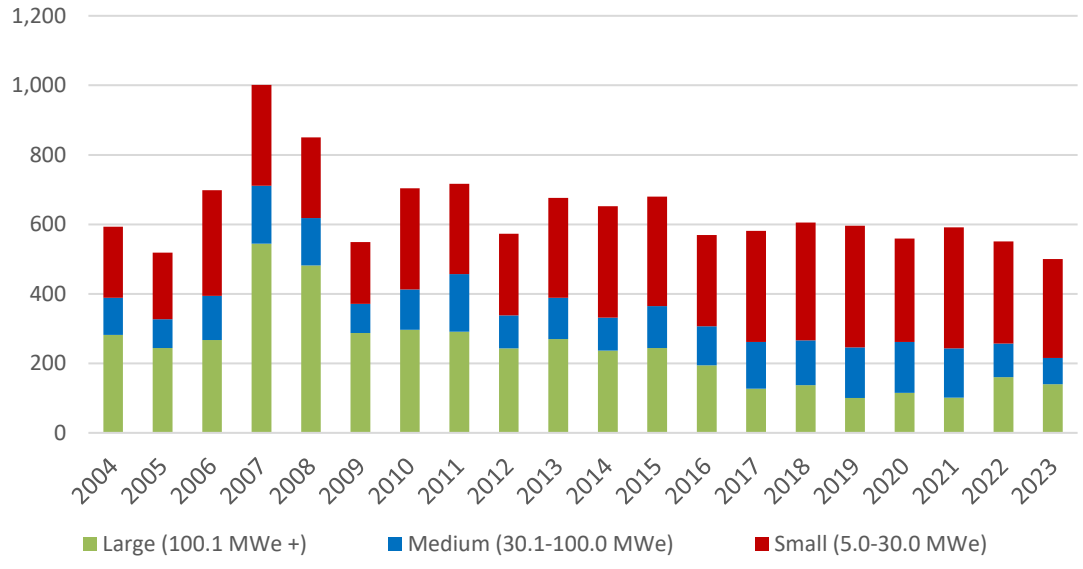
Steam turbine demand in the less than 100 MWe capacity range constituted around 10% of the total steam turbine demand in 2023, down from 23% in FY21.

Exhibit 27: Steam Turbine Delivered Globally (GWe)



Source: McCoy Power Reports, MNCL Research

Exhibit 28: Steam Turbine Units Delivered

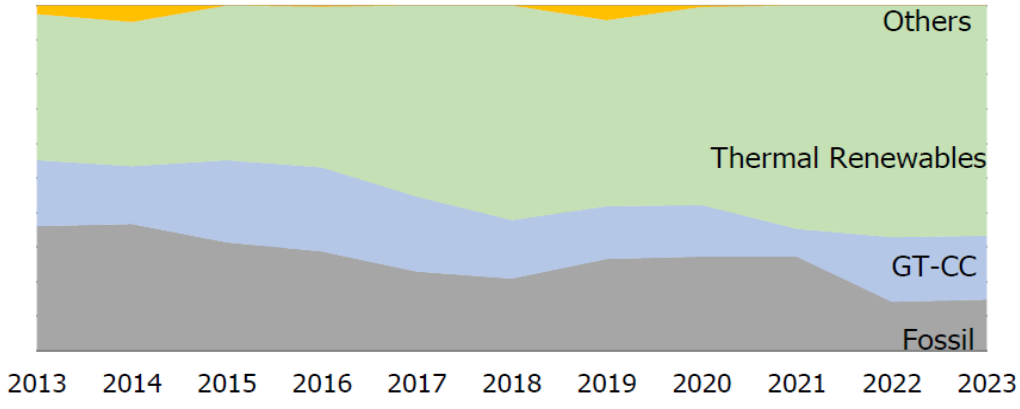


Source: McCoy Power Reports, MNCL Research

Modest growth outlook overall but small and mid-capacity steam turbines to outperform: The global steam turbine market is projected to grow modestly at ~2.5–3.5% CAGR through 2025–2030, with market size estimates ranging from USD 19–36 bn. Growth is strongest in Asia, driven by new thermal and industrial capacity, while Europe and North America focus on retrofits, efficiency upgrades, and biomass/CHP projects as coal plants retire. Key drivers include demand for reliable baseload, replacement of aging fleets, and integration with thermal renewables.

In the below 100 MWe segment, the fossil fuel-based demand for turbines has slowed down over the years while thermal renewables-based demand has gained prominence over the years.

Exhibit 29: Global Steam Turbine Market, below 100 MW, By Fuel Type (in %)



Source: McCoy Power Reports, Triveni Turbine, MNCL Research

Siemens Dominates Scale; Triveni and Regional Players Excel in Niche Segments: In 2023, Siemens Energy led in both units (136, 27.1%) and capacity (5,293 MWe, 39 MWe/unit), serving small- to medium-scale turbines. Triveni ranked second in units (72) but focused on smaller turbines (13 MWe/unit), mainly for thermal renewables. Chinese manufacturers collectively held ~30% of units, reflecting strong production scale. GE Vernova and Mitsubishi targeted high-capacity turbines (226 and 171 MWe/unit), while Doosan Škoda occupied the mid-capacity segment (75 MWe/unit). The market is diverse, with global leaders capturing volume and capacity, and specialized players dominating either large-scale or small-scale segments, aligned with fossil, nuclear, and renewable trends.

Exhibit 30: Major Players and their Market Share in 2023

TOP 25 Manufacturers	Units	Market share
Siemens Energy	136	27.1%
Triveni	72	14.4%
Dongfang Turbine WKS	34	6.8%
Shanghai Turbine Co.	33	6.6%
Harbin Turbine Co.	33	6.6%
Nanjing Turbine Co.	17	3.4%
TGM Turbinas	16	3.2%
Mhi Compressor (Mco)	16	3.2%
Hangzhou Turbine Co.	15	3.0%
Shin Nippon	15	3.0%

Source: McCoy Power Reports, MNCL Research

Exhibit 31: Contracted Steam Turbine Capacity for Selected Companies in 2023

	MWe	Units	MWe/unit
Siemens Energy AG	5,293	135	39
Mitsubishi Power	1,543	9	171
GE Vernova	1,356	6	226
Triveni Turbine	890	71	13
Doosan Škoda	748	10	75

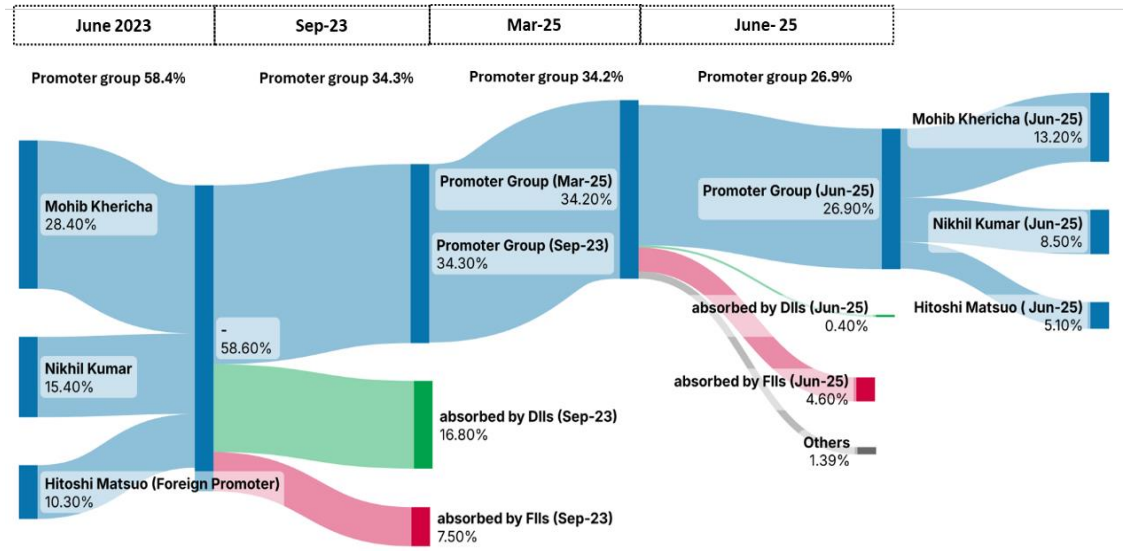
Source: McCoy Power Reports, MNCL Research

TD Power – Company History and Promoter Group

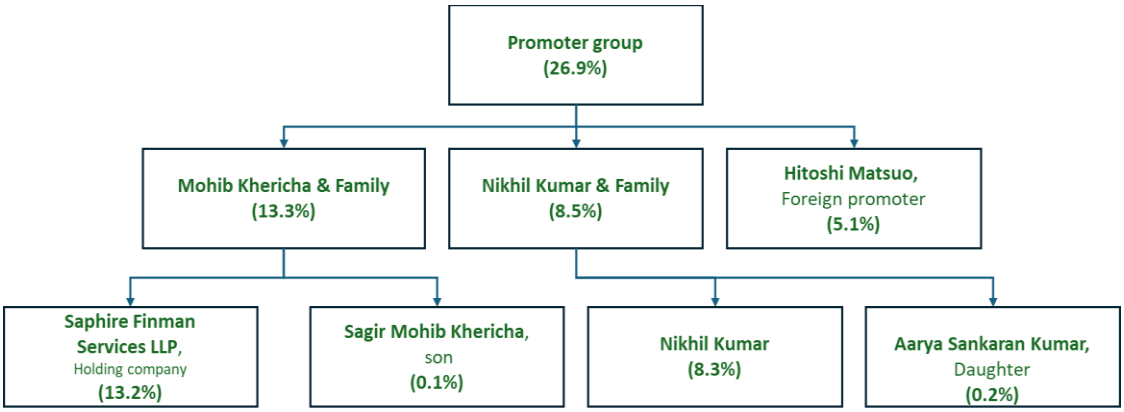
TD Power Systems (TDPS) was founded in April 1999 by Mr. Nikhil Kumar and Mr. Vijay Kirloskar. However, Mr. Vijay Kirloskar resigned in its first board meeting in July 1999 post incorporation. Mr. Mohib Khericha, aged 72, purchased the shares from the erstwhile promoters and has held the position of Chairman since his joining the company. Mr. Hitoshi Matsuo, aged around 80, joined TDPS as the Managing Director (2001-2012) and later became a Whole-Time Director in charge of Japanese branch operations. He is a Toyo Denki veteran with two decades of Japan market experience. The company began operations with generator technology licensed (later acquired) from Toyo Denki (Japan).

Mr. Nikhil Kumar, aged 58, joined the founding team of TDPS as Director in April 1999, elevated to Joint MD in October 2001, and has held on to the position of MD since October 2012. He is a visionary leader and has spearheaded various growth initiative over the years. Since inception, this promoter group—Mr. Mohib Khericha, Mr. Nikhil Kumar, and Mr. Hitoshi Matsuo—have overseen TDPS's operations and held majority stake in the company till June 2023.

Exhibit 32: Change in promoter shareholding since FY23



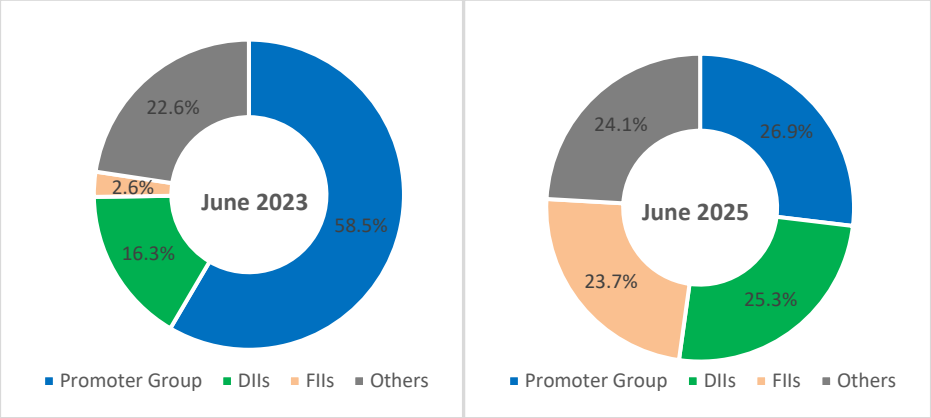
Source: Company, MNCL Research



The promoter sell-downs post-2023: Prior to the IPO the promoter stake holding was 89%, which got diluted to 62% post-IPO and from then on, the promoters have held majority stake till June 2023. That position changed in mid-FY23, when promoters executed a significant sell-down of 37.8 mn shares, amounting to around 24.2% of equity, via block deals. Their combined holding dropped from 58.4% in June 2023 to roughly 34.3% by September 2023. Further divestment followed in May 2025, when 11.5 mn shares, or about 7.4% of equity, were sold by Mr. Nikhil Kumar, Saphire Finman (an entity of Mr. Khericha), and Mr. Matsuo through bulk deals. As of June 2025, promoters hold approximately 26.9%.

The promoter group's immediate family members are not involved in operations or decision-making and have reduced their stakes as well, suggesting the sell-downs may have stemmed from the absence of a clear succession plan. However, prodded by the strong fundamentals of the company, the entire offloaded stake was absorbed by DIIs and FIIs. Further stake sales by the promoter group appear unlikely for the next 2-3 years.

Exhibit 33: Shareholding structure in June 2023 versus June 2025



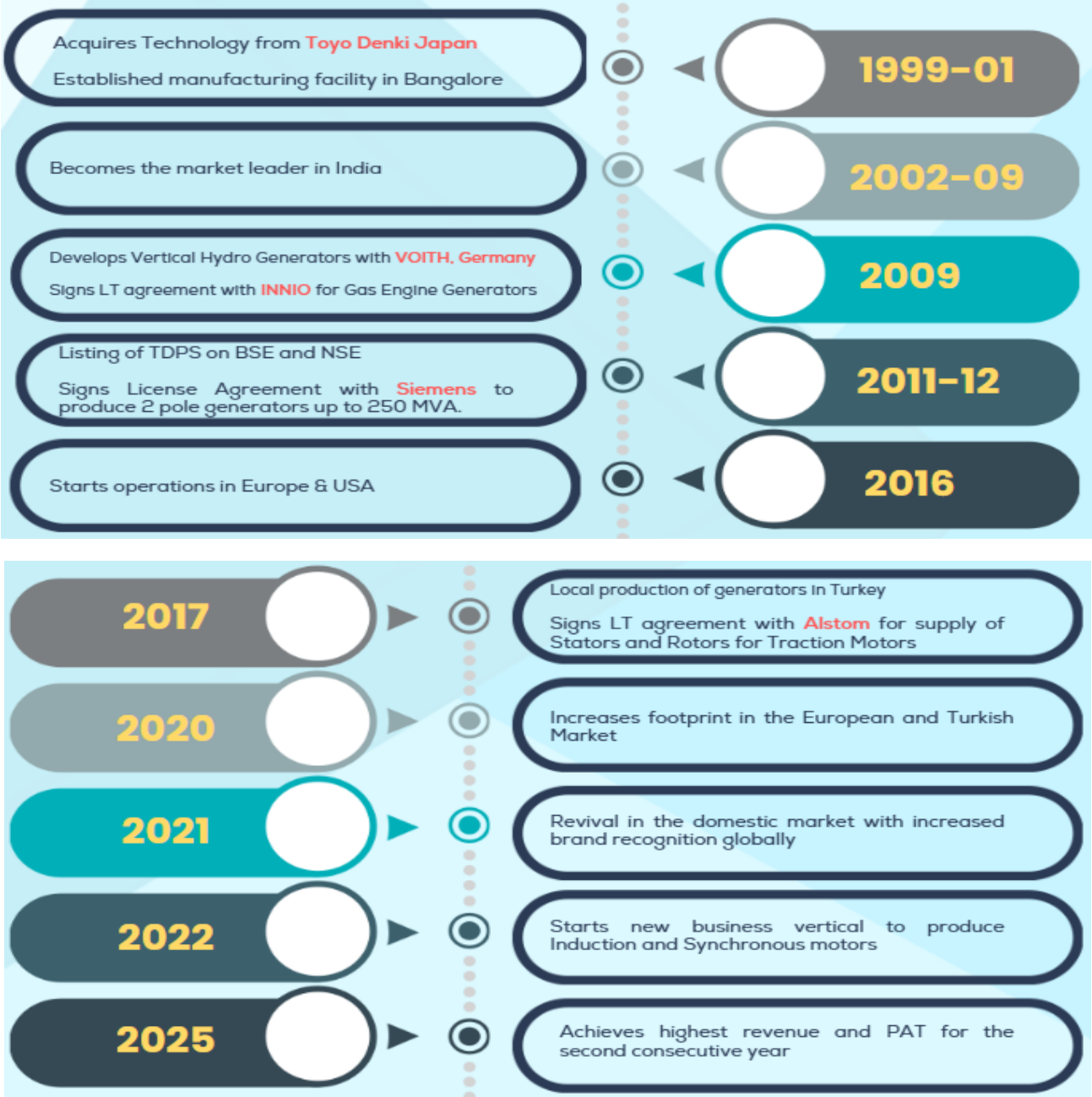
Source: Company, MNCL Research

Expect transition from a promoter-led management to a professionally run firm in the medium-term: Mr. Nikhil Kumar currently leads TDPS as Managing Director, overseeing strategy, operations, technology, and investments, and remains fully committed without involvement in any other ventures. Mr. Mohib Khericha continues as a non-executive director, while Mr. Hitoshi Matsuo retired in 2015. Supporting them is a core management team — Ramakrishna Verna (COO), M.N. Varalakshmi (CFO), and Vinay Hegde (Global Head of Marketing)—all founder members associated with TDPS since inception.

Journey and Evolution of TD Power

TDPS began as a turbine generator solutions provider and, in August 2001, entered generator manufacturing under a technology license from Japan-based Toyo Denki. The company now owns this technology and has developed in-house capabilities for higher-capacity generators. Over time, TDPS also entered licensing agreements with Siemens for steam/ gas generators from 30 to 52 MW and from 60 to 200 MW and Production Technology Transfer Agreement with Sicme Motori SrL for wind application. TDPS also granted license to GE, USA to manufacture generators for the Brazilian market, and on co-manufacturing basis for other countries in Central & South America, and Manufacturing Agreement with Toshiba Mitsubishi-Electrical Industrial Systems Corporation for high-voltage motors (up to 10 MW). TDPS has likely internalized or replaced much of this licensed technology. In 2009, it also partnered with Voith Hydro for joint development of electric generators which was concluded in 2020. Since its inception and until FY25, the company has supplied a total of 7,212 generators with a cumulative capacity of ~ 51 GW.

Exhibit 34: Journey and Evolution of TDPS



Source: Company, MNCL Research

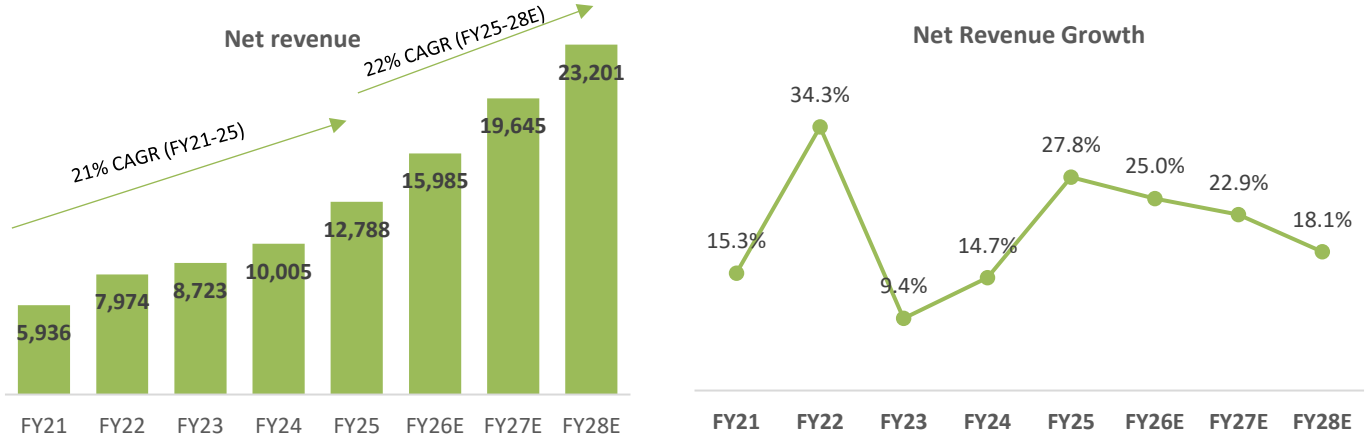
Financial Analysis

Revenue growth

TDPS has delivered a solid revenue CAGR of 21% over FY21–25. After a 12% rebound in FY20 as COVID-related disruptions eased, growth sustained at 15% in FY21. The company recorded an exceptional 34% increase in FY22, driven by exports and a pickup in domestic capex. While growth moderated in FY23, momentum resumed strongly, culminating in a 27% rise in FY25 on the back of multiple industry tailwinds, particularly from data centres and waste-to-energy projects.

For the forecast period, we factor in a 22% revenue CAGR over FY25–28E, supported by robust order book visibility, capacity expansion at the new Tumkur facility, and rising export opportunities. Demand is expected to be buoyed by data centre generator requirements in the US and Europe, as well as increased demand in Europe arising from waste-to-energy projects and grid stabilization requirements.

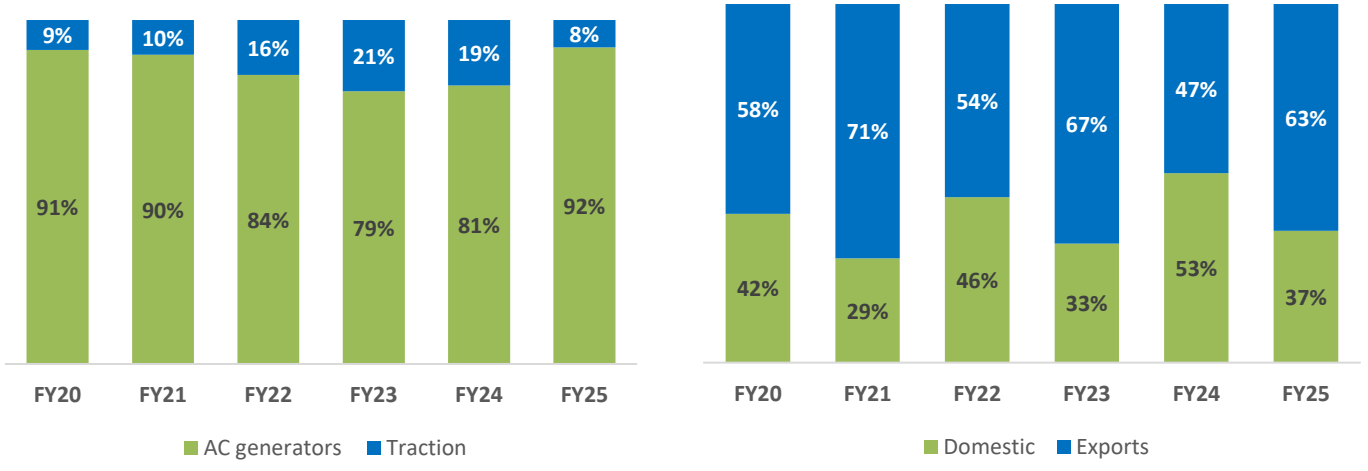
Exhibit 35: TDPS has exhibited strong revenue growth historically



Source: Company, MNCL Research Estimates

TDPS derives ~90% of its revenues from its core AC generator business, which remains the company's primary focus. The motors sale which the company started through a major contract with Alstom (running through FY28) delivering traction motors/components is still in its early stages and currently contributes less than 10% of revenues. Other sub-segments — projects, spares, and services—are linked mostly to the AC generator product and services portfolio.

Exhibit 36: Revenue Contributions by Segment, Geography

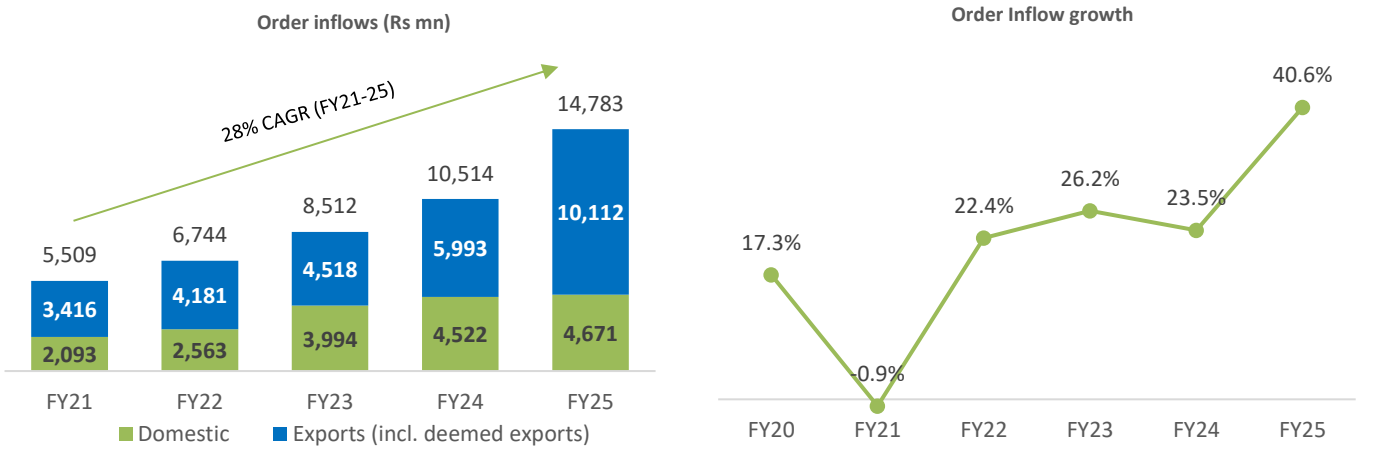


Source: Company, MNCL Research Estimates

Order Inflow and Backlog

TD Power Systems' order inflows grew at a remarkable 28% CAGR during FY21–25. Prior to FY20, inflows averaged less than Rs 5 bn annually, reflecting subdued domestic demand and reliance on exports. From FY21, inflows accelerated sharply, reaching Rs 6.7 bn in FY22 on the back of export growth and domestic revival, and reaching nearly Rs 8.5 bn in FY23 driven largely by domestic orders. For FY25, order inflows grew at a robust 40% YoY to Rs 14.7 bn, reflecting increased demands across data centre projects globally and renewable energy projects across Europe.

Exhibit 37: Order Inflow by Segment (Rs mn; LHS) and Order Type (Rs mn; RHS))

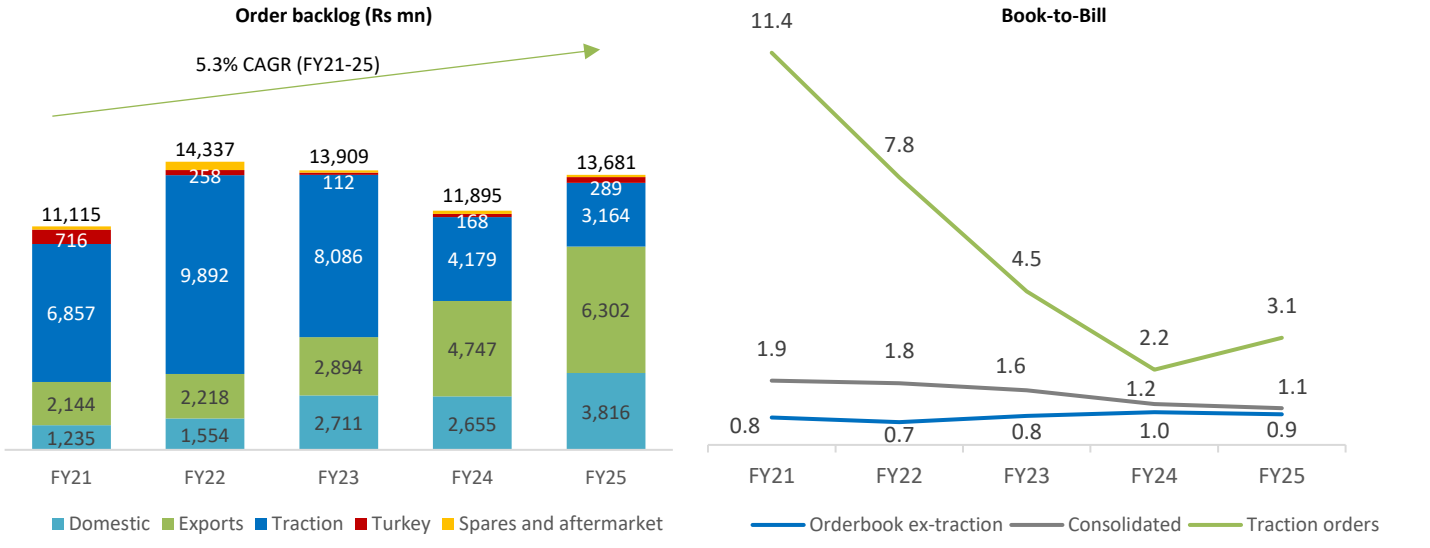


Source: Company, MNCL Research Estimates

TDPS's order backlog has provided consistent visibility, staying in the Rs 10–14 bn range between FY18–FY25, with an average consolidated book-to-bill of ~1.5x during FY21–FY25. The order backlog registered a CAGR of 5% over the period, maintaining an overall positive trajectory despite intermittent volatility. The decline in FY24 was primarily due to indigenization of raw material without impacting the margins, while FY25 saw a strong recovery to Rs 13.6 bn, supported by robust domestic and export inflows, including data center-related projects. This resilience, coupled with rising order inflows, underscores sustained demand across both domestic and global markets.

A significant portion of the backlog has originated from the major Alstom order for traction motors for Indian Railways. This order has an estimated 10-year execution period (from FY18, till FY28) with annual revenue recognized in the range of Rs 1–1.5 bn. The book-to-bill ratio (excluding traction) averaged 0.8x over FY21–FY25, improving to 0.9–1.0x during FY24–FY25 on the back of favorable industry tailwinds.

Exhibit 38: Order backlog by Segment and Order Type (Rs mn)

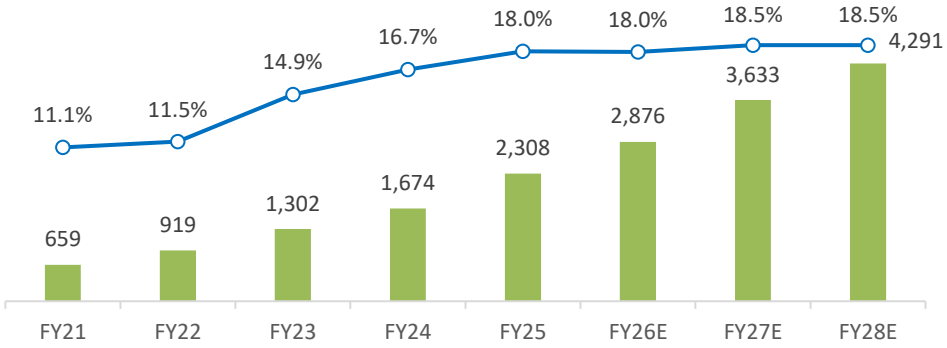


Source: Company, MNCL Research Estimates

EBITDA growth and EBITDA margins

TDPS has seen a sharp improvement in profitability since FY22, with EBITDA margins rising from 11% in FY22 to 18% in FY25, driven by higher operating leverage and increased export orders. The company is currently running close to full capacity, and with the new Tumkur plant expected to come online in FY26, margins may face a slight moderation during the initial phase. However, we expect margins to remain healthy at around 18-18.5% on a sustainable basis post ramp up in utilization of the new facility.

Exhibit 39: EBITDA margins

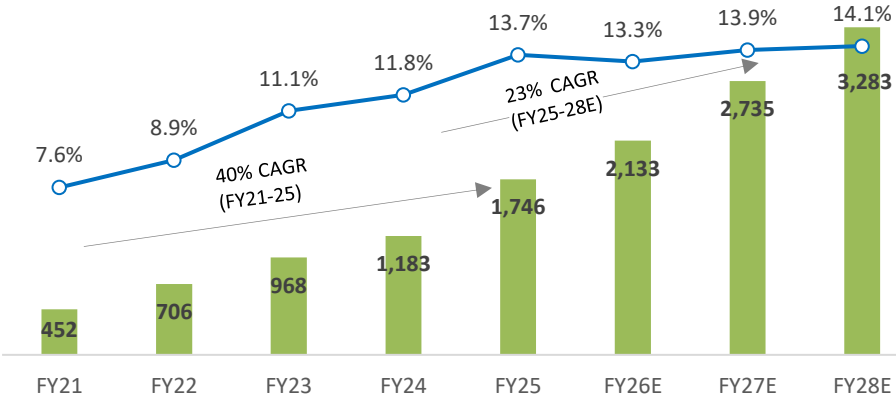


Source: Company, MNCL Research Estimates

PAT growth and PAT margin

TDPS delivered a robust PAT CAGR of 40.2% over FY21–FY25, with margins expanding sharply from 7.6% in FY21 to 13.7% in FY25. This improvement is reflective of the expansion in the operating margin during the same period. Looking ahead, we expect PAT margins to remain stable in the 13.0–14.0% range during FY25–FY28E.

Exhibit 40: PAT margins to hold steady at 13-14%

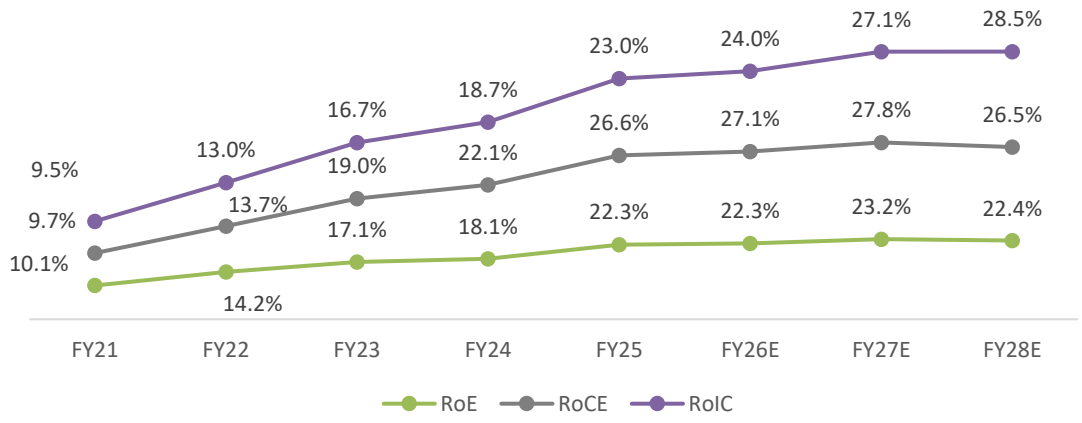


Source: Company, MNCL Research Estimates

Return ratios

TDPS's return ratios have strengthened markedly over FY21–FY25, with ROE and ROCE rising to 22% and 27% in FY25 from 10% and 9.7% in FY21, driven by increased operating leverage and minimal debt. For the forecast period FY25–FY28E, we expect debt to remain near zero, while ROE and ROCE are likely to improve further. With minimal capex anticipated and increase in utilization of the new facility, return ratios could see further expansion.

Exhibit 41: Return ratios to see further expansion



Source: Company, MNCL Research Estimates

Exhibit 42: Dupont Analysis

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
DuPont (%)								
PAT-to-sales	7.6%	8.9%	11.1%	11.8%	13.7%	13.3%	13.9%	14.1%
Sales-to-assets	0.8	0.88	0.97	0.96	0.94	1.02	0.99	1.00
Sales-to-gross fixed assets	1.5	1.9	2.0	2.2	2.5	2.9	3.4	3.8
Sales-to-net fixed assets	3.4	4.8	5.3	5.9	6.7	7.7	9.5	11.2
Assets-to-equity	1.7	1.72	1.49	1.47	1.59	1.53	1.58	1.52
ROE	10.1%	14.2%	17.1%	18.1%	22.3%	22.3%	23.2%	22.4%
ROCE	9.7%	13.7%	19.0%	22.1%	26.6%	27.1%	27.8%	26.5%
ROIC	9.5%	13.0%	16.7%	18.7%	23.0%	24.0%	27.1%	28.5%

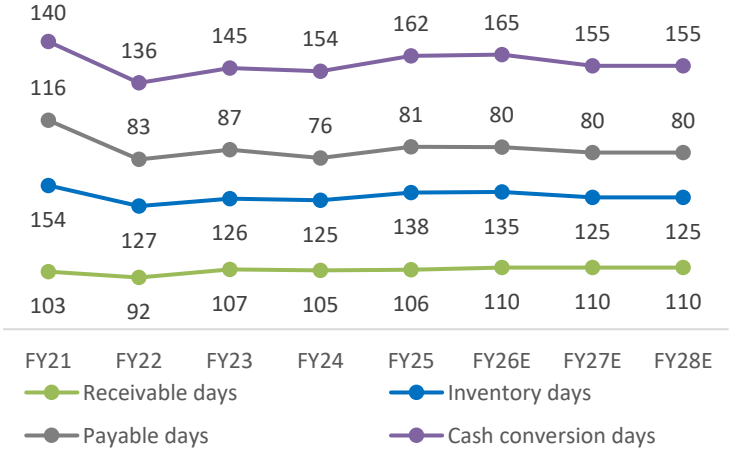
Source: Company, MNCL Research Estimates

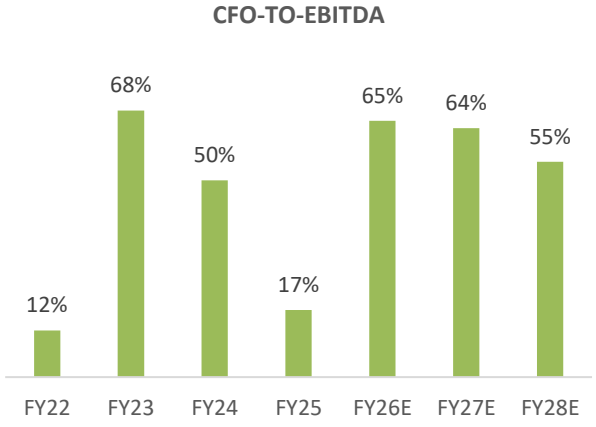
Cash Flow

TDPS's cash conversion cycle averaged approximately 148 days over FY21–FY25. Our estimates have factored in an average cash cycle of 158 days over the forecast period reflecting the higher inventory levels seen in FY25.

The company's EBITDA-to-operating cash flow conversion has averaged 37% during FY22–FY25, with some volatility observed in this period. FY25 cash flows were impacted by elevated purchases of copper and electric steel, undertaken to capitalize on lower prices. Consequently, cash flow conversion is expected to improve from FY26 onward, with our estimates projecting an average conversion of 61% over FY26-28E.

Exhibit 43: Cash conversion cycle and CFO-to-EBITDA conversion





Source: Company, MNCL Research Estimates

Valuation

TD Power Systems (TDPS) is a differentiated player in India's industrial equipment space, offering high-quality exposure to the fast-evolving global generator market. Its strong positioning in AC generators, deep engineering expertise, and export footprint across 80+ countries have driven a consistent growth trajectory. With over 65% of revenue from exports and long-standing relationships with leading global OEMs, TDPS enjoys a resilient and well-diversified order pipeline. The company is well-placed to benefit from structural tailwinds in decentralized power generation, renewables, and industrial capex, with order inflows growing at a robust ~29% CAGR over FY21-25. The upcoming capacity expansion, expected to be operational by FY26, will further support its growth momentum.

We estimate revenue/EBITDA/PAT CAGR of 22%/23%/23% over FY25–28E and value TDPS at 40.0x Sept'27E EPS of Rs19.2 and 28x Sept'27E EBITDA of Rs3,962 mn, arriving at an average target price of Rs755, implying an upside of 17%.

Exhibit 44: Target price computation

Target price	Base case	Bull case	Bear Case
Average Target Price (Rs)	**755**	**869**	**484**
Implied upside (%)	17%	34%	-25%
P/E-based valuation			
Estimated EPS (Rs)	19.2	22.1	16.3
Attributed price-to-earnings (x)	40.0	40.0	30.0
Target price (INR)	769	884	489
Implied upside (%)	18.7%	36.3%	-24.6%
PAT margin	14.0%	13.9%	13.4%
EV/EBITDA-based valuation			
Estimated EBITDA (Rs mn)	3,962	4,597	3,319
Attributed EV/EBITDA (x)	28.0	28.0	21.0
Target price (INR)	744	854	479
Implied upside (%)	14.8%	31.8%	-26.0%
EBITDA margin	18.5%	18.5%	17.5%

Source: MNCL Research Estimates

Key risks:

1. Further worsening of cash cycle
2. Slowdown in global industrial capex.

Outperforming peers in terms of profitability and financials: In terms of financial performance, TD Power Systems (TDPS) is projected to deliver revenue growth of around 21%, well above the average for listed peers in the capital goods sector. Among comparable players, only Siemens Energy India and GE Vernova T&D are expected to post stronger growth, primarily due to their higher exposure to the transformer segment.

TDPS operates with minimal or no debt, versus the industry's average gearing of approximately 0.3x, underscoring the company's strong balance sheet. Its relatively smaller scale, combined with a rapidly expanding export business, has enabled TDPS to sustain superior profitability, with EBITDA margins of about 18% compared to the peer average of 14%.

From a valuation perspective on FY28E estimates, TDPS trades at 31.0x P/E and 22.3x EV/EBITDA, in-line with peer averages of 33.0x and 22.0x respectively (including global mature-market players). We believe TDPS can command higher multiples supported by favourable industry tailwinds and its distinct competitive advantages.

Exhibit 45: Peer financials

Peers	Revenue CAGR	PAT CAGR	Debt-to-Equity	Net debt-To-EBITDA	EBITDA Margin (%)	PAT Margin (%)
	FY25-28E	FY25-28E	FY25	FY25	FY25	FY25
TD Power systems	**22.0%**	**23.1%**	**0.0x**	**-0.6x**	**18.0%**	**13.7%**
Triveni Turbine	15.9%	16.0%	0.0x	-2.2x	21.8%	17.9%
Siemens Energy India	27.0%	28.7%	4.0x	NA	19.4%	14.1%
Cummins India	13.8%	12.8%	0.4x	-1.6x	20.0%	19.2%
GE Vernova T&D India	30.2%	n.a.	1.9x	-0.5x	19.1%	14.2%
Doosan Skoda Power	24.4%	17.0%	NA	NA	13.5%	11.6%
GE VERNOVA Inc	12.4%	49.6%	7.6x	-4.6x	4.7%	4.4%
Siemens Energy AG	15.6%	50.6%	52.2x	-1.8x	4.1%	3.4%
Mitsubishi Heavy Industries	9.4%	22.4%	30.1x	0.0x	10.6%	4.9%
Caterpillar Inc	4.9%	3.2%	200.1x	0.2x	23.8%	16.7%

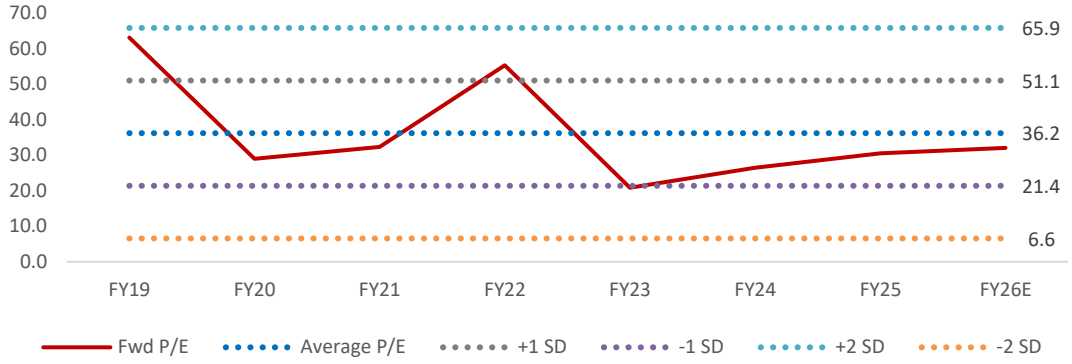
Source: MNCL Research Estimates

Exhibit 46: Peer Valuation

Peers	P/E				EV/EBITDA			
	FY25A	FY26E	FY27E	FY28E	FY25A	FY26E	FY27E	FY28E
TD Power systems	**36.7x**	**47.5x**	**37.2x**	**31.0x**	**27.3x**	**34.4x**	**26.8x**	**22.3x**
Triveni Turbine	49.8x	43.2x	36.7x	29.9x	38.7x	33.2x	26.9x	22.0x
Siemens Energy India	110.2x	79.5x	61.8x	n.a.	54.3x	39.5x	32.1x	n.a.
Cummins India	42.3x	52.8x	46.2x	40.5x	NA	43.7x	37.9x	33.7x
GE Vernova India Ltd	65.6x	NA	NA	NA	48.2x	NA	NA	NA
Doosan Skoda Power	n.a.	22.8x	23.3x	18.8x	NA	19.5x	17.1x	13.9x
GE VERNOVA inc	48.4x	79.6x	46.1x	32.1x	51.3x	45.3x	28.6x	19.8x
Siemens Energy AG	24.1x	63.9x	33.2x	24.7x	16.7x	22.2x	14.7x	11.8x
Mitsubishi Heavy Industries	34.6x	49.8x	40.2x	34.1x	16.1x	25.7x	21.7x	18.7x
Caterpillar	16.6x	29.3x	24.6x	20.9x	11.4x	19.8x	17.4x	15.4x

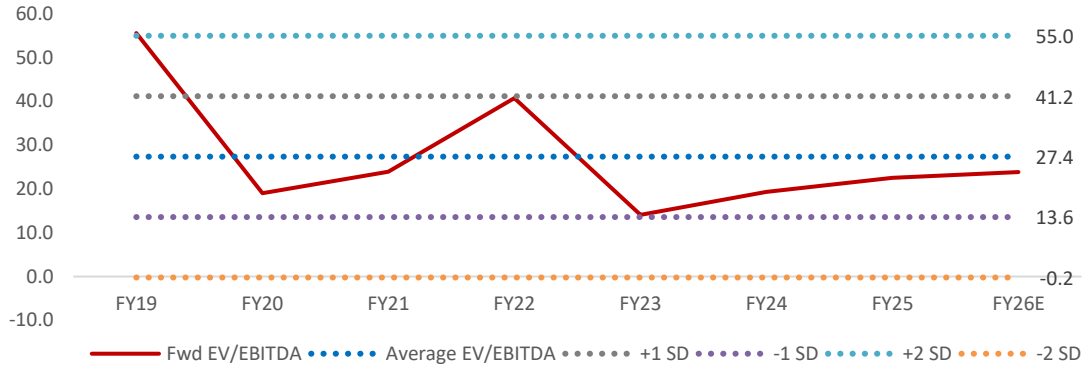
Source: MNCL Research Estimates

Exhibit 47: 1 year forward P/E chart – TDPS



Source: Company, MNCL Research

Exhibit 48: 1 year forward EV/EBITDA chart – TDPS



Source: Company, MNCL Research

Financial Statements

Exhibit 49: Consolidated Income Statement

In Rs mn, except per share	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net revenue	**5,936**	**7,974**	**8,723**	**10,005**	**12,788**	**15,985**	**19,645**	**23,201**
YoY growth	***15.3%***	***34.3%***	***9.4%***	***14.7%***	***27.8%***	***25.0%***	***22.9%***	***18.1%***
Cost of goods sold	3,959	5,699	5,904	6,552	8,308	10,342	12,710	15,011
Gross profit	**1,977**	**2,275**	**2,819**	**3,453**	**4,479**	**5,643**	**6,935**	**8,190**
Gross margin	***33.3%***	***28.5%***	***32.3%***	***34.5%***	***35.0%***	***35.3%***	***35.3%***	***35.3%***
Employee expenses	794	806	906	1,078	1,237	1,598	1,866	2,204
Other operating expenses	**523**	**551**	**612**	**702**	**934**	**1,168**	**1,435**	**1,695**
EBITDA	**659**	**919**	**1,302**	**1,674**	**2,308**	**2,876**	**3,633**	**4,291**
EBITDA margin	***11.1%***	***11.5%***	***14.9%***	***16.7%***	***18.0%***	***18.0%***	***18.5%***	***18.5%***
Depreciation and amortization	215	220	207	211	197	246	303	357
Earnings before interest and taxes	**445**	**698**	**1,095**	**1,463**	**2,111**	**2,630**	**3,331**	**3,934**
EBIT margin	***7.5%***	***8.8%***	***12.6%***	***14.6%***	***16.5%***	***16.5%***	***17.0%***	***17.0%***
Interest and dividend income	81	82	87	115	113	99	146	230
Interest expenses	31	15	6	3	31	12	0	0
One-time gains	72	76	13	0	0	0	0	0
Others, mainly FX changes	2	80	106	47	123	112	138	162
Non-operating income / expenses	**120**	**222**	**200**	**159**	**206**	**200**	**284**	**393**
Profit before taxes	**565**	**921**	**1,295**	**1,622**	**2,317**	**2,830**	**3,615**	**4,326**
Income taxes	113	214	327	439	571	697	891	1,066
Effective tax rate	***20.0%***	***23.3%***	***25.3%***	***27.0%***	***24.6%***	***24.6%***	***24.6%***	***24.6%***
Profit after taxes	**452**	**706**	**968**	**1,183**	**1,746**	**2,133**	**2,735**	**3,283**
PAT margin	***7.6%***	***8.9%***	***11.1%***	***11.8%***	***13.7%***	***13.3%***	***13.9%***	***14.1%***
Per share (split adjusted)								
EPS	2.9	4.5	6.2	7.6	11.2	13.7	17.4	20.9
Interim DPS	0.0	0.0	0.5	0.5	0.6	0.6	0.6	0.6
Final DPS	0.5	0.7	0.5	0.6	0.7	0.7	0.7	0.7
DPS, total	**0.5**	**0.7**	**1.0**	**1.1**	**1.3**	**1.3**	**1.3**	**1.3**
BVPS	30.4	33.9	38.7	45.2	55.1	65.6	80.0	97.8
Shares outstanding (mn), split adjusted	154.7	155.5	156.0	156.2	156.2	156.2	156.2	156.2

Source: Company, MNCL Research Estimates

Exhibit 50: Consolidated Balance Sheet

Particulars; FY-end March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Cash and cash equivalents	**1,643**	**1,613**	**1,693**	**2,114**	**1,989**	**3,215**	**5,194**	**7,252**
Trade receivables	1,619	2,411	2,691	3,075	4,373	5,261	6,580	7,404
Inventories	1,888	2,091	1,986	2,498	3,766	3,884	4,821	5,460
Other short-term assets	567	884	615	524	994	1,088	1,194	1,298
Current assets, total	**5,717**	**7,000**	**6,984**	**8,210**	**11,123**	**13,448**	**17,789**	**21,414**
Long-term investments	199	199	199	110	0	0	0	0
PPE including intangibles, net	1,743	1,664	1,633	1,685	1,901	2,080	2,068	2,066
Lease-hold land in Tumkur, Karnataka	0	0	0	172	172	172	172	172
Capital WIP and other non-current assets	190	204	216	201	442	292	336	378
Total assets	**7,849**	**9,067**	**9,032**	**10,378**	**13,638**	**15,991**	**20,365**	**24,030**
Short-term debt	520	710	0	0	122	0	0	0
Trade payables	1,084	1,513	1,313	1,400	2,309	2,225	3,347	3,233
Customer advances and other ST liabilities	1,430	1,443	1,584	1,852	2,488	3,081	3,759	4,418
Current liabilities, total	**3,034**	**3,666**	**2,896**	**3,252**	**4,919**	**5,305**	**7,106**	**7,652**
Long-term debt	0	0	0	0	0	0	0	0
Payable to employees	45	50	59	71	89	111	136	161
Deferred tax and other liabilities	63	79	31	4	28	35	43	50
Total liabilities	**3,142**	**3,795**	**2,987**	**3,327**	**5,035**	**5,451**	**7,285**	**7,863**
Shareholders' equity	4,707	5,272	6,045	7,051	8,603	10,540	13,080	16,167
Total liabilities and shareholders' equity	**7,849**	**9,067**	**9,032**	**10,378**	**13,638**	**15,991**	**20,365**	**24,030**

Source: Company, MNCL Research Estimates

Exhibit 51: Consolidated Cashflow Statement

CONSOLIDATED CASH FLOW STATEMENT								
	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Cash flow from operations	-29	109	886	840	395	1,880	2,308	2,349
Cash flow from investing activities	318	-161	108	-246	-449	-326	-130	-95
Cash flow from financing activities	-197	109	-891	-157	-67	-329	-195	-195
FX changes	-31	-86	-23	-16	-3	0	0	0
Changes in cash	**61**	**-30**	**79**	**421**	**-124**	**1,225**	**1,979**	**2,058**
Opening cash and cash equivalents	1,582	1,643	1,613	1,693	2,114	1,989	3,215	5,194
Ending cash equivalents balance	**1,643**	**1,613**	**1,693**	**2,114**	**1,989**	**3,215**	**5,194**	**7,252**

Source: Company, MNCL Research Estimates

Exhibit 52: Consolidated Quarterly Income Statement

In Rs mn, except per share	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net revenue	**2,203**	**2,737**	**2,426**	**2,639**	**2,738**	**3,064**	**3,503**	**3,482**	**3,719**
Cost of goods sold	1,407	1,834	1,628	1,683	1,755	1,983	2,338	2,232	2,419
Gross profit	**796**	**904**	**798**	**956**	**983**	**1,081**	**1,165**	**1,250**	**1,300**
Gross margin	***36.1%***	***33.0%***	***32.9%***	***36.2%***	***35.9%***	***35.3%***	***33.3%***	***35.9%***	***34.9%***
Employee expenses	248	269	246	315	307	304	324	303	368
Other operating expenses	161	163	154	223	192	221	229	292	243
EBITDA	**386**	**472**	**397**	**418**	**484**	**556**	**613**	**655**	**688**
EBITDA margin	***17.5%***	***17.2%***	***16.4%***	***15.9%***	***17.7%***	***18.1%***	***17.5%***	***18.8%***	***18.5%***
Depreciation and amortization	51	53	53	54	46	48	50	54	50
EBIT	**336**	**419**	**344**	**364**	**438**	**508**	**563**	**601**	**638**
EBIT margin	***15.2%***	***15.3%***	***14.2%***	***13.8%***	***16.0%***	***16.6%***	***16.1%***	***17.3%***	***17.2%***
Non-operating income /expenses	**35**	**27**	**53**	**43**	**19**	**51**	**33**	**102**	**35**
Profit before taxes	**371**	**446**	**397**	**408**	**458**	**560**	**596**	**703**	**674**
Income taxes	105	118	98	118	104	147	-146	173	173
ETR	***28%***	***27%***	***25%***	***29%***	***23%***	***26%***	***25%***	***25%***	***26%***
Profit after taxes	**267**	**328**	**299**	**290**	**353**	**413**	**449**	**530**	**501**
PAT margin	***12.1%***	***12.0%***	***12.3%***	***11.0%***	***12.9%***	***13.5%***	***12.8%***	***15.2%***	***13.5%***
Per share (split adjusted)									
EPS	1.7	2.1	1.9	1.9	2.3	2.6	2.9	3.4	3.2
DPS	0.0	0.5	0.0	0.6	0.0	0.6	0.0	0.7	0.0
BVPS	n.a.	42.0	n.a.	45.2	n.a.	49.5	n.a.	55.1	n.a.
Par value	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0

Source: Company, MNCL Research estimates

Exhibit 53: Key Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratio (%)								
Revenue	15.3%	34.3%	9.4%	14.7%	27.8%	25.0%	22.9%	18.1%
EBITDA	98.6%	39.3%	41.7%	28.6%	37.9%	24.7%	26.3%	18.1%
Net income	51.0%	56.3%	37.0%	22.2%	47.5%	22.2%	27.7%	19.7%
Margin Ratios (%)								
Gross profit	33.3%	28.5%	32.3%	34.5%	35.0%	35.3%	35.3%	35.3%
EBITDA	11.1%	11.5%	14.9%	16.7%	18.0%	18.0%	18.5%	18.5%
EBIT	7.5%	8.8%	12.6%	14.6%	16.5%	16.5%	17.0%	17.0%
Net income	7.6%	8.9%	11.1%	11.8%	13.7%	13.3%	13.9%	14.1%
DuPont (%)								
PAT-to-sales	7.6%	8.9%	11.1%	11.8%	13.7%	13.3%	13.9%	14.1%
Sales-to-assets	0.8	0.88	0.97	0.96	0.94	1.02	0.99	1.00
Sales-to-gross fixed assets	1.5	1.9	2.0	2.2	2.5	2.9	3.4	3.8
Sales-to-net fixed assets	3.4	4.8	5.3	5.9	6.7	7.7	9.5	11.2
Assets-to-equity	1.7	1.72	1.49	1.47	1.59	1.53	1.58	1.52
ROE	9.6%	13.4%	16.0%	16.8%	20.3%	20.8%	21.8%	21.4%
RoAE	10.1%	14.2%	17.1%	18.1%	22.3%	22.6%	24.0%	23.5%
RoAA	5.9%	8.4%	10.7%	12.2%	14.5%	14.5%	15.4%	15.2%
RoCE	9.7%	13.7%	19.0%	22.1%	26.6%	27.5%	28.9%	27.9%
RoIC	9.5%	13.0%	16.7%	18.7%	23.0%	24.0%	27.1%	28.5%
Turnover Ratios (days) *								
Receivable days	103	92	107	105	106	110	110	110
Inventory days	154	127	126	125	138	135	125	125
Payable days	116	83	87	76	81	80	80	80
Cash conversion days	140	136	145	154	162	165	155	155
CFO-to-EBITDA	-4%	12%	68%	50%	17%	65%	64%	55%
Solvency Ratios								
Net debt-to-equity	-20%	-12%	-20%	-24%	-15%	-23%	-32%	-38%
Debt-to-equity	11%	13%	0%	0%	1%	0%	0%	0%
Capex-to-net revenue	2.5%	1.9%	2.4%	4.5%	4.4%	2.7%	1.5%	1.5%
Accrual ratio	9%	6%	11%	5%	12%	6%	5%	6%
Per share (INR)								
EPS	2.9	4.5	6.2	7.6	11.2	13.7	17.4	20.9
DPS	0.5	0.7	1.0	1.1	1.3	1.3	1.3	1.3
BVPS	30.4	33.9	38.7	45.2	55.1	65.6	80.0	97.8
CEPS	-0.2	0.7	5.7	5.4	2.5	12.0	14.8	15.1
Valuation (x)								
P/E	50.6	75.9	25.5	39.1	36.7	47.5	37.2	31.0
P/B	4.9	10.2	4.1	6.6	7.5	9.9	8.1	6.6
P/S	3.9	6.7	2.8	4.6	5.0	6.3	5.2	4.4
EV/EBITDA	33.3	57.7	18.1	26.7	27.3	34.4	26.8	22.3
Dividend								
Payout	17%	15%	16%	15%	28%	9%	7%	6%
Yield	0.3%	0.2%	0.6%	0.4%	0.8%	n.a.	n.a.	n.a.

Source: Company, MNCL Research estimates

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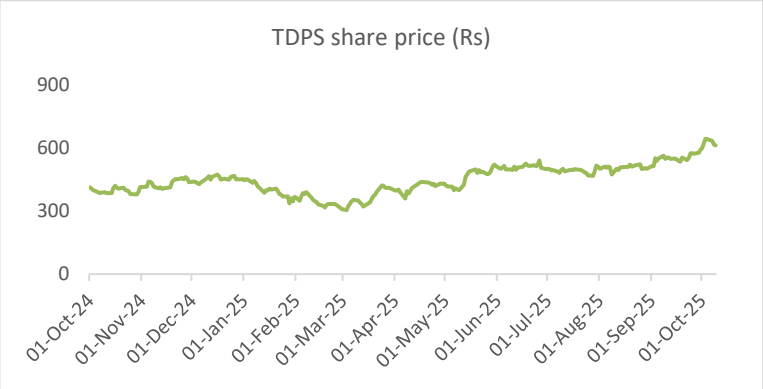

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